

H-DT1
Gardner, Nevhis

19 MAR 1998
HPD 71029

From: Beer, Christine
To: Corrigan, Kevin; Gardner, Nevhis; Richardson, Samantha; Watts, Erika; cook, colin; leeson, vanessa
Cc: Sweetman, Stuart
Subject: Note from Paul Rich
Date: Wednesday, March 18, 1998 6:11PM

Please see attached note from Paul Rich

<<File Attachment: RICH47.DOC>>

IN STRICTEST CONFIDENCE

To Stuart Sweetman
Venessa Leeson
Dave Miller
Mena Rego
Sam Richardson
Colin Cook
Kevin Corrigan

From Paul Rich

18 March 1998

FILE NOTE: TELECOM WITH DAVID SIBBICK OF DTI
RE HORIZON 17/3/98

This records the key points of a confidential conversation with David Sibbick on Horizon.

- 1 David thanked POCL for all the input to the joint Ministerial submission being prepared this week.
- 2 He explained two separate agendas were clearly emerging (a) what shall we do if Horizon failed (the reasonable line)? or (b) we have made up our minds to withdraw from Horizon at the earliest opportunity - now, or at the very latest at the end of the contract (the DSS line).
- 3a Adopting 2(a) leads to an approach based on a contingent set of scenarios - and so leads to a "don't sour the ICL relationship unnecessarily" approach.
- 3b Adopting 2(b) leads to "let's put ICL into an impossible situation" approach, manifested in programme/legal difficulties.
- 4 DTI had not yet completed their input to the joint official's paper to Ministers. They are working up:
(a) what were the impacts of POCL losing Horizon, but by and large keeping BA business (eg incremental automation, stable network) and
(b) what were the network consequences of POCL losing large and sudden chunks of revenue through, eg Horizon failing and BA losing faith.

IN STRICTEST CONFIDENCE

- 11 6 The paper would be completed in readiness for another HMT -led meeting on Friday 20 March.
- 7 The proposed "technical assessment" of the programme would be chaired by Adrian Montague (PFI Taskforce in HMT), with a couple of committee members, including Alec Wylie* drawing in experts as they saw fit (inc PA?).
- 8 This may mean Ministers may not meet to decide for another 1/2 months.
- 9 Hamish Sandison** of Bird and Bird has been called in by HMT, and had been asked to draft a holding letter to ICL without losing rights on ICL breach.
- 10 DTI would keep in close touch with POCL as the issue progresses; they asked that ICL were not advised yet.

Paul Rich

*letter sent to Hamish Sandison

**meeting to be arranged with Alec Wylie and Paul Rich