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dti

Department of Trade and Industry

FAX MESSAGE/COVER SHEET

THIS MESSAGE IS FOR: JONATHAN EVANS - POCL

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DATE: 16.11.98

DTI REFERENCE:

NO. OF PAGES TO FOLLOW:

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SOON AS POSSIBLE.

SPECIAL INSTRUCTIONS/ MESSAGE:

Jonathan

The 4 points, as promised.

David.

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advantages in easing migration to ACT.

If negotiations are to continue, POCL will need to be given a very clear and specific remit by Government, and will also need to know how far the Government is prepared to help through, for example, EFL adjustments:

- Difficult to envisage a deal acceptable to public sector side that does not include
 - acceptance by ICL of a substantial share of the £121m (plus the contingency fund) which they currently expect to be covered by price revisions within the contract;
 - acceptance that Fujitsu cannot be allowed to wash their hands of the project as the ICL proposals seem to envisage. Fujitsu must stand behind the project with funding and guarantees;
 - acceptance by ICL that if there are further delays attributable to them, they will be liable to compensate POCL/BA; and
 - acceptance by ICL that this project is simply too important to BA, to POCL and to the Government more widely for the contractual acceptance process to be anything less than full and comprehensive (though that, of course, does not mean that it should not be fair, nor does it necessarily preclude some element of independent assessment).

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Horizon Contingency Options Meeting

Action Points

1. Revisit arguments to Government against Option 2 SR
2. Get POEC signed up to Option 2 future being different from Negotiated settlement PR /SS
3. Remind DTI about Option 2 not being agreed as part of settlement with POCL. JE
4. Review need for Business strategy review including DTI and KPMG - and then review in light of ITT work underway PR/DM/JE
5. Get Option 3 demand position ready Mena
6. Lobbying Plan Keith Hardie
7. Review litigation strategy Mena/ Joe

