From: Cabinet Secretary for Finance and Sustainable Growth

Sent: 05 August 2010 13:00

To: Middleton DF (David); Reeve W (Bill); McLaughlin AC (Ainslie)
Cc: Minister for Transport, Infrastructure and Climate Change

Subject: Re: TRAMs

David

Mr Swinney has noted. He would like you and Mr Stevenson to be involved in a regular dialogue with tie and Richard Jeffrey about where this project is heading.

Thanks

Graham

---- Original Message -----From: Middleton DF (David)

To: Reeve W (Bill); McLaughlin AC (Ainslie)

Cc: Cabinet Secretary for Finance and Sustainable Growth; Minister for Transport, Infrastructure

and Climate Change

Sent: Wed Aug 04 10:29:46 2010

Subject: TRAMs

Richard Jeffrey (RJ) sought an urgent word this morning. The 'offer' by BB to complete airport to St Andrew Square he says is about 100m away from what they thought reasonable. Some scope for negotiation but as it stands would mean 660m just to get to St A Square.

RJ not optimistic and doesn't feel BB have embraced the heads of agreement discussed in Project Carlisle (not known to me).

RJ feels tie have no alternative but to begin issuing remedial termination notices. This doesn't mean termination. Strictly it requires BB to produce remediation plans within a time limit. This may produce further dispute and carries risk of heightening tension. But RJ considers this step unavoidable partly for negotiation but on substance too. CEC would have to agree termination but RJ. Is clear this step is at tie's hand. However he wanted us to know.

David