

Eric Barry
[address]

Your Ref:

Date: 19 October 2010

Dear Councillor Barry

Edinburgh Trams

Thank you for your request for information. I can advise as follows:

1. What is the relationship between TIE/TEL/CEC/BSC?

tie Limited (tie) is a wholly owned subsidiary of Transport Edinburgh Limited (TEL) which in turn is wholly owned by CEC.

BSC is the consortium of Bilfinger Berger Civil UK Limited, Siemens Public Limited Company and Construcciones y Auxiliar de Ferrocarriles S.A which is party to a contract with tie to carry out the authorised works under the Edinburgh Tram Acts (the "Infraco contract").

2. Is there a contract between tie and CEC?

Yes, CEC is party to an operating agreement with tie with regard to the procurement and delivery of the tram project but its terms are confidential.

3. BSC have written to us all and say the risk for any delay or unexpected thing lies with CEC so what is the contract we have with BSC?

Tie is a party to the Infraco contract with BSC. CEC is the financial guarantor of the project.

4. What is the Council's exposure to delay etc, risk and why is this risk not with tie alone?

This information is protected by legal professional privilege.

As you will appreciate, there are still disputed matters between the contracting parties and the Head of Legal and Administrative Services has recommended that we do not discuss the legal advice provided to Council officers at this time.

5. Which individuals from CEC and Councillors signed the contract with BSC and in what capacity did they sign?

William Gallacher, tie Limited's Chief Executive at the time, signed the Infraco contract on behalf of tie Limited.

The Council reports of 1 May 2008 and 20 December 2007 authorising signature of the Infraco contract are available for viewing on www.edinburgh.gov.uk.

6. Where can I view a copy of the contract with BSC; Where can I view the results of arbitration?

Unfortunately it will not be possible for you to review the Infraco contract or the arbitration results, as they are confidential and may not be provided to third parties.

Yours sincerely