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**From:** Richard Jeffrey [Richard.Jeffrey@tie.ltd.uk]  
**Sent:** 08 September 2010 14:07  
**To:** Tom Aitchison; Donald McGougan  
**Subject:** FW: PRIVATE AND CONFIDENTIAL - Siemens

The attached note to TS may be helpful in advance of our update with Jenny tomorrow.

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**From:** Richard Jeffrey  
**Sent:** 08 September 2010 08:42  
**To:** 'David.Middleton@transportscotland.gsi.gov.uk'  
**Subject:** PRIVATE AND CONFIDENTIAL - Siemens

David, thanks once again for your intervention with Siemens. I think it may be important that you are kept up to date with recent developments.

Under separate cover I will forward you some significant correspondence from my Chairman to Siemens.

- Unfortunately Siemens still do not seem to have come to the table. We have now got Bilfinger to within striking distance of a deal, but Siemens have still not engaged with the negotiation at all.
- We understand Siemens have a large claim against them from BAM, and have (or are preparing) a large claim against BB
- We also understand from BB that Siemens have raised the issue with BB of breaking up the consortium, and becoming a sub-contractor instead of a partner.
- We also understand that Siemens now wish to go no further than Haymarket.
- There are several areas of the off-street section where we believe track laying should and could now have started, but has not done so.
- I cancelled a dinner with Siemens (Michael Flynn) last night, saying that there was no point in opening a new parallel line of communication, when we have already agreed with Wakeford (Flynn's boss) a formal channel for the negotiation. It has been typical throughout this project that the different partners have tried to open parallel communications instead of speaking with one voice as a consortium. I believe this has never been to our advantage, hence the cancellation. I expect Siemens will twist this. I'm happy to share correspondence if you feel the need.

I am not asking you to do anything at the moment, just keeping you informed. We need to wait and see if there is any reaction to my Chairman's letter. There is a consortium board meeting today.

Happy to discuss.

Regards

Richard

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