
From: Nigel Robson <robson.nigel@[REDACTED]>
Sent: 04 March 2011 11:29
To: 'Colin Smith'
Cc: Richard Jeffrey; Steven Bell; Dennis Murray; Anthony Rush
Subject: Mediation -Legally Privileged and FOISA Exempt. Monday and Dervaird

Colin,

Thanks for your input yesterday. Forgive me for clarifying this, but I think you were going to take responsibility for selecting the group to be briefing Sue/debating the Financials at 11am on Monday. I just want to make sure that those not coming to that briefing are aware that they do not need to be there until 2.00pm. I am sure that Julie will notify people if you let her know.

The objectives at the 11am session are to ensure that Sue has a good understanding of the basic financials and the interactions, this includes Project Separation and the judgements, and we will touch on 'grind it out'. You are going to have say between 5 - 8 'outrageous' changes/amendments arising from Phoenix, with a short briefing sheet for Sue, to use as tests as to whether their attitude/behaviour is customer focussed and they do genuinely want to do a deal which is fair in the circumstances. And at a macro level there needs to be identified the tipping points overall as to what can be 'sold/accepted' in the context of the circumstances that we find ourselves in, and in the political/governmental environment to which Sue is answerable.

My additional thought travelling home concerns the Dervaird decision. When I asked Steven what that amounts to, he suggested that it would take a while to work through, and he has other more important priorities with the team, particularly on valuing the 'risk transfer' items in Appendix 4 and elsewhere in Phoenix. That is absolutely right, not least because they will be tooled up in those areas - so must we. That said, it could be quite a lot of money, if so, it changes the dynamic as to cash flow, and their vulnerability in the mediation. I have raised it with Tony, and he thinks it is quite a lot of money, and that he can get a handle on it. If so that is worth having, and I will make a passing reference to it in Sue's opening. Tony will let us know his 'guesstimate'.

Please ring/contact if you need to discuss.

Nigel

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