

Strietly Confidential

17<sup>th</sup> December 2001

Ric Dattani  
Freeport Plc  
Cc Gary Dawson  
Dear Ric,

Further to my telecom with you last week and having just returned from 5 days in Portugal, may I make the following comments that I hope you made find helpful.

1. A environmental impact study is a relatively substantial piece of work involving a number of authorities. It is mainly technical in its content.
2. If a rejection of such a study is envisaged, it is unlikely to be capable of reversal under any circumstances two days before its formal rejection by the Minister of the Environment. *before the bribe*
3. The Minister of the Environment, Eng. Jose Socrates, is considered to be one of the pillars of the PS government and the essence of integrity. *confirmed by others*
4. The effect of the weekend's events with the PS reversals in the Municipal Elections (including Lisbon) and the resignation of the Guterres Government means that Socrates is no longer the Minister of the environment and there will be a stall process of four to five months until a new government is elected and a new Minister appointed on the outcome of a new election.
5. To state the obvious, I would encourage you to determine the technical reasons for the rejection of your EIS and establish the areas where differences can be bridged.
6. I would encourage you to take soundings outside the local team to establish independently what may be have gone wrong – and to see if this meets the information you are provided within the local team. A personal visit to the information you are provided within the local team. A personal visit to the DRAOT or whatever authority/s has put the wedge in can often pay dividends in understanding the problem.

The political change in Portugal will delay due process on the planning and environment front but time can be spent valuably in determining the cause of rejection and acceptable steps for correction.

The content of this communication is confidential to the addresses. It's purpose is to share market experience with a fellow PUKCC member in an equivalent sector.

Yours Sincerely

Keith Payne

*Jonathan, this is the guy who rang me and is aware of the 2 million GBP bribe, a few interesting parts (underlined) notably from 4. If parliament is dissolved pending elections then the Sof. State is powerless to approve or reject anything?*

*Ric*