

Gabilondo, Jose

From: Carleton, Norman
Sent: Thursday, December 06, 2001 4:25 PM
To: Bair, Sheila; Berardi, Steve; Bitsberger, Timothy; Eichner, Matthew; Gabilondo, Jose; Gross, Jared; Hammer, Viva; Lori Sanatamarena (E-mail); Nickoloff, Peter; Novey, Michael; Pietrangeli, Fred; Roseboro, Brian; Schultheiss, Heidilynne; Whaley, Jean; Wiedman, Mark
Subject: DJ: Enron's \$1.5B DIP Loan Syndication To Start Next Week

December 6, 2001

Enron's \$1.5B DIP Loan Syndication To Start Next Week

By CAROL S. REMOND

Of Dow Jones Newswires

NEW YORK -- **Enron** Corp.'s (ENE) \$1.5 billion interim financing package will be marketed for syndication beginning next week.

A final term sheet for the deal, which was preliminarily approved by the bankruptcy judge who oversees Enron's reorganization on Dec. 3, is now in the process of being finalized, people familiar with the matter said Thursday.

J.P. Morgan Chase & Co. (JPM) and Citigroup INC. (C), Enron's two lead banks, have been organizing the rescue loan, known as debtor-in-possession, or DIP, financing.

That money is needed for the company to continue to operate and to protect any value left - value that could be crucial for creditors to recoup any of their losses.

Under the terms of the deal, **Enron** has already received \$250 million from J.P. Morgan Chase and Citigroup. Another \$250 million is expected to become available in the next couple of weeks, after Enron's lenders approve the company new business plan.

The final \$1 billion in funding is contingent on final approval of the court and successful syndication of the loan. Some of that last installment will be used to repay a \$550 million loan extended by Citigroup and J.P. Morgan Chase to **Enron** last month.

Although Enron's rapid fall has left a number of financial institutions exposed to the company's fiscal and accounting woes, the people familiar with the matter said they expected most syndicate players to be interested in taking on some of the DIP financing. In a loan syndication, lead lenders offload a large part of the loan onto other banks, thereby sharing the risk with the so-called syndicate group.

Most banks are willing to take on DIP lending because such exposure is senior to all other claims in bankruptcy court. DIP loans are also attractive because they carry higher interest rates.

In the case of **Enron**, DIP financing comes at a cost of 350 basis points (3.5 percentage points) over the London Interbank Offered Rate, or LIBOR. That's 100 basis points wider than the rate under which Citigroup and J.P. Morgan Chase recently loaned \$1 billion to **Enron**, which consisted of a \$550 million loan secured by Enron's Transwestern pipeline and a \$450 million loan secured by the company's Northern Natural Gas pipeline.

The final DIP package is scheduled to be approved by the bankruptcy judge on Jan. 7.

Meanwhile, J.P. Morgan Chase and Citigroup are said to continue working with UBS AG (UBS) on a plan to form a joint venture under which UBS' subsidiary UBS Warburg would take over Enron's trading operations.

**Background on Reaction of Energy Markets to Yesterday's Attack
September 12, 2001**

[(b)(5)]

California Electricity Update

Thursday, February 1, 2001

[OUTSIDE SCOPE , (b)(5)]

[(b)(5)]

BRIEFING

MEMORANDUM FOR DEPUTY SECRETARY EIZENSTAT

FROM: Timothy F. Geithner
Under Secretary (International Affairs)

SUBJECT: Briefing for Your OPIC Board Meeting

DATE AND TIME: Tuesday, March 21, 2000
Board Luncheon 12:00-1:00 P.M.
Board Meeting 1:00-3:00 P.M.

LOCATION: Twelfth Floor
1100 New York Avenue

[(b)(5)]

[(b)(5)]

Brazil -- Construction of a full service business hotel

Tab 3

[(b)(5)]

[(b)(5)]

[(b)(5)]

Argentina -- Electricity Distribution

Tab 6

[(b)(5)]

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[(b)(5)]

[(b)(5)]

Gaza -- Power Project

Upcoming Project

Tab 11

[(b)(5)]

ENRON

→ Tom McBreen

From: Margaret Kuhlou
To: DONOVANM
Date: 2/3/00 10:53am
Subject: RE: Bolivia Article IV -Reply -Reply

I haven't seen the cable and would love a copy, thanks

>>> Meg Donovan 02/03/00 10:41am >>>

Thanks Erik... appreciate the update. On the PRSP/HIPC section, do you know if Laure be forwarding us a copy? I think there was some confusion at the meeting with TFG last week as to our position on Bolivia and just wanted to make sure everyone was on the same page.

Also, I'm sure everyone probably saw it, but yesterday's cables from State included a review of problems due to flooding and subsequent breakage of an Enron pipeline in Bolivia together with preliminary environmental impact assessment.

>>> ex.mail."EWEISMAN2@imf.org" 02/03/00 10:27am >>>

Meg.

[OUTSIDE SCOPE , (b)(5)]

erik

Thank you, Mr. Chairman.

[Opening sentence - addressing multiple documents]

Article IV

[OUTSIDE SCOPE , (b)(5)]

0050000000457

[(b)(5)]

HIPIC

PRS

-----Original Message-----

From: Meg.Donovan@do.treas.gov [mailto:Meg.Donovan@do.treas.gov]
Sent: Thursday, February 03, 2000 10:10 AM
To: eweisman2@imf.org
Subject: Bolivia Article IV

Date: 02/03/2000 10:09 am (Thursday)
From: Meg Donovan
To: ErikWeisman
Subject: Bolivia Article IV

Erik:

just checking in to see if we're all set on the Article IV for Bolivia. I saw Margaret's comments so I think that clears everything from my end. Are there any issues not covered in my statement that will likely be raised? Please let me know if you're waiting on anything else from our office.....

Thanks,
Meg

0050000000458

From: ex.mail("MSOBEL@imf.org"
To: ex.mail("MSOBEL@imf.org", "Meg.Donovan", "Brian.Crow...
Date: 2/5/00 1:10pm
Subject: RE: draft Boliva statement -Reply

[OUTSIDE SCOPE , (b)(5)]

-----Original Message-----

From: Sobel, Mark
Sent: Friday, February 04, 2000 9:21 AM
To: 'Meg.Donovan@do.treas.gov'; Brian.Crowe@do.treas.gov;
Stephen.Donovan@do.treas.gov; Barbara.Holloway@do.treas.gov;
Clay.Lowery@do.treas.gov; William.Schuerch@do.treas.gov;
barbara.holloway@do.treas.gov; brian.crowe@do.treas.gov;
clay.lowery@do.treas.gov; Redifer, Laure; stephen.donovan@do.treas.gov
Cc: Margaret.Kuhlow@do.treas.gov; Curatolo, Christine; Lissakers, Karin;
iredifer@delinet.com; Sobel, Mark; william.schuerch@do.treas.gov
Subject: RE: draft Boliva statement -Reply

Meg:

[OUTSIDE SCOPE , (b)(5)]

Could you send Brian's trip report to me?

[OUTSIDE SCOPE , (b)(5)]

-----Original Message-----

From: Meg.Donovan@do.treas.gov [mailto:Meg.Donovan@do.treas.gov]
Sent: Thursday, February 03, 2000 8:31 PM
To: Brian.Crowe@do.treas.gov; Stephen.Donovan@do.treas.gov;
Barbara.Holloway@do.treas.gov; Clay.Lowery@do.treas.gov;
William.Schuerch@do.treas.gov; barbara.holloway@do.treas.gov;
brian.crowe@do.treas.gov; clay.lowery@do.treas.gov; LREDIFER@imf.org;
meg.donovan@do.treas.gov; stephen.donovan@do.treas.gov
Cc: Margaret.Kuhlow@do.treas.gov; CCURATOLO@imf.org; KLISSAKERS@imf.org;
iredifer@delinet.com; MSOBEL@imf.org; william.schuerch@do.treas.gov
Subject: draft Boliva statement -Reply

Date: 02/03/2000 08:26 pm (Thursday)
From: Meg Donovan
To: CROWEB, DONOVANST, HOLLOWAYB, LOWERYC, SchuerchW,

0050000000459

ex.mail."LREDIFER@imf.org", ex.mail."barbara.holloway",
ex.mail."brian.crowe", ex.mail."clay.lowery",
ex.mail."meg.donovan", ex.mail."stephen.donovan"
CC: ex.mail."CCURATOLO@imf.org", ex.mail."KLISSAKERS@imf.org",
ex.mail."iredifer@dellnet.com", ex.mail."MSOBEL@imf.org",
ex.mail."william.schuerch", ex.mail."iredifer@dellnet.com",
KUHLOWM
Subject: draft Boliva statement -Reply

Laure:

thanks for sending along the statement, I know it's been a lot of
work to get these cases ready and we appreciate the efforts
you've made.

[OUTSIDE SCOPE , (b)(5)]

0050000000460

[OUTSIDE SCOPE , (b)(5)]

b. The Enron pipeline spill... Enron has sent in a plane-load of experts to deal with the resulting damage and has assured the GOB that cost is not a consideration.

Thanks Laure...

>>> ex.mail."LREDIFER@imf.org" 02/03/00 05:35pm >>>
Laure editorial comments are italicized. I'm sending this to Karin at home

0050000000461

tonight and we hope to issue a written statement in the morning.
Please get
comments to me tonight, if possible, if not, first thing tomorrow.
I'm sorry
about the tight timeframe. If tonight, please send to my home
address
"iredifer@dellnet.com" to ensure I get it.

NOTE THE BIG ISSUE IS WHETHER OR NOT WE ARE
PUSHING FOR AN IMPLEMENTATION
PERIOD AFTER PRSP IS COMPLETED. This is written, per
Karin's instructions
based on conversations with Bill, that we are pushing for an
implementation
period. We may wish to consider again [OUTSIDE SCOPE , (b)(5)]

<<Bolivia-ArtIV-PRGF-HIPC-02-04-00.doc>>

CC: ex.mail("William.Schuerch", "Margaret.Kuhlow", "CCUR...



John V.E. Hardy, Jr.
Vice President
Project Finance

Enron International
1775 Eye Street, N.W., Suite 800
Washington, DC 20006
(202) 462-9156

Fax (202) 331-4717
jhardy@enron.com

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[b)(5)]

**ENRON MEETING WITH TREASURY
IPP Dispute with GODR
February 18, 2000**

Enron: David Shields, Executive Director Caribbean Region

Treasury: Gay Sills, Greg Christopoulos, Gene Clapp, Elizabeth Stewart, Gary Sampliner, Meg Donovan

Note: Enron distributed a chronology of the dispute entitled "Summary of Debt Crisis of the Independent Power Producers"

[(b)(4) , (b)(5)]

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[(b)(4) , (b)(5)]

0050000001178

[(b)(4) , (b)(5)]

0050000001179

[(b)(4) , (b)(5)]

0050000001180

From: Meg Donovan
To: BERGK, CHRISTOPULOS, CLAPPG, KUHLWM, SILLSG, ex.m...
Date: 12/14/99 1:10pm
Subject: DR Power Sector - Cogentrix -Reply

Todd:

[(b)(5)]

0050000001184

[(b)(5)]

>>> ex.mail."tcrawford@worldbank.org" 12/13/99 05:37pm >>>

[(b)(5)]

Just thought you might want to know.

----- Forwarded by Todd W. Crawford/Person/World Bank EDs on
12/13/99 05:30 PM -----

Orsalia Kalantzopoulos
12/10/99 08:37 AM
Extn: 82638 LCC3C

To: Todd W. Crawford Eds
cc:

Subject: DR Power Sector - Cogentrix

Todd:

Please see the attached from Max.

As you know, the Bank, IDB technical staff, and members of IDB senior management
have raised concerns, but with very limited success. Orsalia

----- Forwarded by Max B. Pulgar-Vidal/Person/World Bank on
12/10/99 05:36 AM -----

Philippe J-P. Durand
12/09/99 05:55 PM
Extn: 33244 LCSFE

0050000001185

To: Max B. Pulgar-Vidal
cc:

Subject: Re: DR Power Sector - Cogentrix (Document link: Max B. Pulgar-Vidal)

Max:

Aide memoire is almost ready. I hope to finish it tonight.
IDB has distributed the documentation on the Cogentrix project to its Board.
Presentation date is December 15 and approval is expected.

[(b)(5)]

regards.
Philippe.

Max B. Pulgar-Vidal
12/07/99 08:12 PM
Extn: 34839 LCC3C

To: Orsalia Kalantzopoulos
cc: Philippe J-P. Durand, Susan G. Goldmark

Subject: DR Power Sector - Cogentrix

Orsalia:

I met with Philippe Durand earlier today. He is finalizing the Aide-Memoire and will get back to me tomorrow. Once I meet with him again, we should meet with you. Meanwhile, a few items for your information:

[(b)(5)]

Max

0050000001186

CC:

MCGREWW, JOHNSTONR

00500000001187

*
From: ex.mail."tcrawford@worldbank.org"
To: ex.mail("Bruce_Juba%iadb@worldbank.org"),Dom13.DOP...
Date: 11/19/99 10:51am
Subject: Re: DR Power Project

[(b)(5)]

[(b)(5)]

Todd

From: Bruce Juba/IDB-HQ/IDB@IADB on 11/17/99 01:29 PM

To: William Schuerch@William.Schuerch@Do.Treas.Gov@Smt@Iadb, David
Bloomgarden@David.Bloomgarden@Do.Treas.Gov@Smt@Iadb, Greg
Christopoulos@Greg.Christopoulos@Do.Treas.Gov@Smt@Iadb
cc: Lawrence Harrington/Idb-Hq/Idb@Iadb, Todd W. Crawford Eds

Subject: DR Power Project

[(b)(5)]

0050000001210

[(b)(5)]

CC: ex.mail("William_Schuerch%william.schuerch%do.trea...

From: ex.mail."tcrawford@worldbank.org"
To: ex.mail("gay.sills", "greg.christopoulos", "hofschire...
Date: 8/25/99 2:22pm
Subject: Dominican Republic -- US Concerns Follow-up

FYI, attached a message from the World Bank's country director indicating follow up action she took in Dominican Republic pursuant to concerns we had raised with her about the investment climate.

----- Forwarded by Todd W. Crawford/Person/World Bank EDs on
08/25/99 02:20 PM -----

Orsalia Kalantzopoulos
08/13/99 04:55 PM
Extn: 82636 LCC3C

To: Todd W. Crawford Eds
cc:

Subject: Dominican Republic -- US Concerns Follow-up

Todd:

I was in the DR this week for couple of days. During my visit I met with USAID and staff from the economic section of the US Embassy. [(b)(5)]

Please give me a call if you would like to discuss this further. Regards,
Orsalia

Todd Crawford
Advisor, Office of U.S. Executive Director
The World Bank
Phone: 202-458-0112
Fax: 202-477-2967
email: tcrawford@worldbank.org

0050000001213

DEALS

COMING UP

Enron goes global

Houston-based corporation Enron announced an annual turnover last year of \$6bn - making it one of the world's largest gas companies. Although most of their business is still in the United States, the company's greatest growth is through contracts beyond North America.

According to Rod Gray, Enron's senior vice president, finance and treasury, the world will need another 100,000MW of power over the next 10 years, most of that outside the US. If gas-fired stations account for even a small percentage of that, it is still a very big market.

"We are looking at countries with the following characteristics: those that are privatizing their infrastructure, those that have a natural gas potential which is under-utilised, and those with a need for more electrical power," says Gray.

"We see great opportunities for Enron to participate in all levels of development in such countries - from exploration and development to transporting gas through pipelines, liquid extraction and electrical power generation."

In the UK, Enron is in negotiation on four more plants, one of which, valued at \$400m, could go ahead later this year.

Another area of focus is Latin America, where Enron owns 3,800 miles of pipeline in Argentina, and has just completed a 110MW plant in Guatemala financed by the International Finance Corporation (IFC). In southeast Asia, the company has just completed one 100MW plant and is starting construction on another, both project financed with advice from Citibank, and with multilateral agency funding. Enron is also in discussion on possible future projects in Malaysia, Indonesia and China.

Eastern Europe and the former Soviet Union have proved frustrating frustrating markets for Enron. A number of projects are under consideration, including one in Bitterfeld, in eastern Germany, and a \$200m project for Russia's Gazprom to update part of its pipeline system and compressor stations. "But is a very slow process, and the lack of a sound legal structure is a great problem in that region," says Gray.

Much more promising is a possible \$2bn 500MW station in Turkey, where Enron is being advised by Kidder Peabody and Bankers Trust, in conjunction with the UK's Midlands Electricity.

Gray expects Turkey's relatively developed capital markets to play a significant role in the financing of the project.

In India the company is closest to success on a new development. Enron proposes building a 2,000MW power station south of Bombay. The project will cost between \$2bn and \$3bn, to be built in two phases, starting as a naphtha-fuelled operation which will later be converted to liquified natural gas (LNG).

It wasn't at all the agonising experience you often hear about

The project, in which Enron is being advised by Barclays Bank, is to be funded through a combination of World Bank, IFC and the US Export-Import Bank (Eximbank) loans, with further participation by the Overseas Private Investment Corporation (OPIC) and the Asian Development Bank (ADB). Gray expects at least \$100m in rupee financing to be raised from the Indian capital markets.

"Most of the risks in the natural gas sector are similar to other sectors, even though the operational factors may differ," notes Gray. "So, of course the

IN BRIEF

■ **Ligang power plant expansion:** China International Trust & Investment Corp Hongkong (CITIC Hongkong) has signed a letter of intent for a \$800m third-phase expansion of the Ligang power plant in Wuxi, Jiangsu province. The expansion involves the installation of two coal-fired generators, of up to 800,000 kilowatts. CITIC Hongkong has a 56% interest in the project.

■ **Tenneco Gas of Houston and British Gas join up:** The two companies have signed a joint agreement at the beginning of May to pursue natural gas transportation projects in South America. Joe Ramsey, Tenneco Gas senior vice president, international and power generation, says: "We have already identified a number of exciting opportunities that we will be pursuing under this agreement, using our combined experience in operating pipelines and developing gas-related business". Tenneco, which transports more than 14% of US natural gas along its 20,000 mile pipeline system, and British Gas are still targeting projects for joint bids.

■ **ADB loans to reduce Philippines energy shortage:** The Asian Development Bank (ADB) has approved loans of almost \$47m to help fund two power plants and combat the Philippines' critical shortage of electricity. The plants will serve the main island of Luzon, where power shortages in Manila last more than 10 hours a day. The ADB says one loan of \$40m will help pay for a 770MW thermal plant in Quezon province, south of Manila. The bank has also approved a \$7m equity investment in the Pagbilao power plant. The loan carries an annual interest rate of 10.25% with a repayment period of 14 years.

■ **Sinopec joins forces with Indonesian entrepreneurs:** China's state-owned China Petrochemical Corp (Sinopec) is joining a group of local businessmen led by president Suharto's second son, Bambang Trihatmodjo, to build an oil refinery and fertiliser plant in Indonesia. Sinopec's local partners include Trihatmodjo's Bimanatara Group, the Napan Group run by Henry Pribadi, Prayogo Pangestha's Barito Group, and Bank Danamon, headed by Usman Admadjaya. Sinopec's president, Sheng Huaren, says the partners will

know how much financing is required after studies are concluded. Costs are expected to be in the region of \$2bn if the group is to build a refinery with a capacity of 150,000 barrels of oil a day.

■ **Shanghai airport revamp:** A reconstruction project to extend Shanghai's Hongqiao airport is expected to begin next year and should be completed before 2005. With a planned area of 26.4 square km, the extended airport will be a multi-functional international air terminal composed of a bonded area, warehouses, processing workshops and passengers' service facilities. A new runway will be built before 1995 and a subway will be opened to the airport.

■ **Singapore power station planned:** The Singapore government plans to spend about \$5bn on a power station in Tuas, which will cater to the republic's electricity demand well into the next century. Trade and industry minister, S Dhanabalan, says the Tuas plant will be built in four stages, each of two 60MW units, yielding a total generating capacity of 4,800MW on completion of the project. The first 600MW will be operational in 1998 and the second by about 2005.

DEALS

COMING UP

Bio-Bio awards imminent

Contracts for the construction of a controversial 450MW hydro-electric power plant in Chile are expected to be awarded in June. The plant on the Bio-Bio River south of Santiago is to be built by a joint venture called Pangué.

The joint venture will be dominated by the part-privatized Chilean utility company Endesa, which will own approximately 90% of the shares. The International Finance Corporation (IFC) has also indicated that it will take a small equity stake in the joint venture.

Negotiations to finance Pangué are already underway. The estimated total cost is around \$470m, with \$120m being provided in the form of a loan from the IFC. Around half of this loan will be syndicated through the New York capital markets, with the balance provided by the IFC's own account. Another major element to the financing is expected from the export credit agency of the equipment supply contractor. Further funds will be provided by locally generated loans and share capital from Endesa.

The project is also likely to benefit from tied aid. Several development agencies have stressed that they are willing to

offer funds if companies from their countries are awarded the equipment supply contracts. One of the most prominent agencies involved in negotiations is the Swedish development agency BITS. The agency has stated that it is willing to offer a \$30m tied aid package if equipment supply and machinery supply contracts are awarded to ABB Generation in Sweden and the Swedish subsidiary of the Norwegian engineers Kvaerner Turbin.

However, the project has yet to pass the hurdle of a three-phase investigation into its environmental and social impact. The IFC has initiated the studies - the second phase of which should be ready by June. The first phase, which looked at the impact of the plant up-river, concluded in Pangué's favour. It stated that only a few families would have to be displaced and that the reservoir created by the plant's dam was small enough to have minimal impact. Phase two reports on the impact of the project down-river.

The Bio-Bio plan has a troubled history. The construction of a dam and power plant on the site was conceived in the 1970s, but only became a concrete proposal in the last decade. Under Pinochet's dictatorship, no attention was paid to the environmental impact and the project became the subject of furious criticism from ecology groups - criticism that has not entirely abated.

approach to structuring the financing is similar." What is less typical is the ease with which Enron operates within the framework of multilateral lending.

"If you work with multilateral agencies," says Gray, "it is important to understand their needs and give them the kind of structure they want. In this sense, they are really no different from any commercial bank lender. It can also be necessary to understand the relationship the host country has with the agencies. In Guatemala, for example, our co-operation with the IFC went very well. It wasn't at all the agonising, long drawn-out experience you often hear about."

A new aspect to the India project will be the participation of Eximbank. "Up to now," Gray explains, "we haven't worked very much with the export credit agencies, which used to lend to sovereign credit risks. They are now moving into limited recourse project financing. In India, for example, Eximbank will probably be a key player."

Enron usually takes a certain amount of direct project risk, including an equity stake if the company is to operate the facility after construction. But the company is not comfortable taking on country risk, according to Gray, and usually includes OPIC or MIGA insurance in its structures, as well as multi-lateral agency lending, to ensure this risk is offset.

More aircraft orders with Boeing: Shanghai Airlines has ordered \$450m worth of Boeing aircraft, bringing to almost \$1.5bn the figure China has pledged in orders to the depressed US aviation industry over the past month.

The Shanghai Airlines deal involves five B-767-300 wide-bodied 263-seat passenger jets, coupled with a separate order for aircraft engines from Pratt & Whitney. The other deals include China Aviation Supplies Corp's \$800m order for 20 medium-range B-737s and one B-757, and a \$150m engine order from CFM International, a joint venture company with General Electric of the US. The US aviation industry will be cheered by the decision not to remove China's most favoured nation (MFN) trade status.

Petronas in Malaccan oil refinery: Malaysia's national oil company, Petronas, and Conoco of the US are to jointly develop a second Petronas-controlled oil refinery in the Sungai Udang district of north Malacca.

Petronas had been looking for a partner for the refinery since last year when Japan's Idemitsu Kosan and a unit of South Korea's Samsung Corp pulled out of the project.

Petronas president, Azizan Zainul Abidin, says that while the state-owned company will hold the majority stake in the 60/40 joint venture, third parties might be invited to take some equity in the project. The new refinery, which will cost at least \$1.9bn to build with a refining capacity of 100,000 to 130,000 barrels a day of sour crude, is the second stage of Petronas' \$2.8bn integrated refinery complex. The first stage, now under construction, is wholly-owned by Petronas and is due to come onstream by next April with a capacity of 100,00 barrels per day of local sweet crude. Completion of the second refinery is scheduled for late 1997. Meanwhile, Petronas is also discussing a proposed refinery in Bintulu with Australia's Broken Hill Proprietary Co (BHP) and Taiwan's Chinese Petroleum Corporation (CPC).

Telecom projects hook up in Manila: Singapore Telecom and the UK's Cable & Wireless are members of two consortia competing for a multi-billion dollar telecommunications contract in the Philippines. The contract involves the development of a nationwide digital cellular mobile telephone system and an expansion of the country's over-stretched

telephone system. The proposal by Globe Telecom, a publicly listed Manila company, 29.6% owned by Singapore Telecom International and 36% by the local Ayala group, comprises a \$2bn investment package to install 1.2m telephone lines over the next seven years.

The proposal by Cable & Wireless, which has teamed up with Australia's government-owned Telstra International (the offshore operating arm of Telecom) and a local company, Benpres, involves an investment of \$3bn to install about one million telephone lines over five years. While 13 other proposals have been submitted to the government, the proposals from Singapore Telecom and Cable & Wireless are the largest.

Viet Sin to develop huge site: Singapore-based textile and consultancy group, Viet Sin, has secured a 1,000 hectare development site 40km west of Hanoi, Vietnam, which usually grants 50-year leases for foreign investment properties, has given Viet Sin a 70-year lease for residential projects and a 99-year lease for commercial buildings. Viet Sin says the development will include residential units, recreation and light industrial facilities.

0050000001422

Stewart, Elizabeth K.

From: Rao, Geetha
Sent: Monday, February 05, 2001 1:06 PM
To: Sampliner, Gary; Grewe, Maureen; Mills, Marshall; Christopoulos, Greg; Clapp, Gene; Stewart, Elizabeth K.; Wallace, James
Cc: Radelet, Steve
Subject: RE: India/Dabhol Meeting

John Hardy from Enron left a message this morning to inform us that Enron is planning on calling the GOI guarantee for the MSEB's missed payments tomorrow. Around 10 days ago, Enron invoked the State guarantee for MSEB's payments which the State did not honor, as of last Thursday's deadline. In the meanwhile MSEB submitted a small payment (approx \$2 million). The State had one week to submit the payment to Enron but opted to put in place an expert committee to review the Dabhol situation instead. In other news, Enron is close to selling its 30% stake in oil/gas fields offshore of Maharashtra and Gujarat.

Clapp, Gene

From: Rao, Geetha
Sent: Monday, January 22, 2001 3:14 PM
To: Christopulos, Greg; Grewe, Maureen; Mills, Marshall; Sampliner, Gary; Clapp, Gene
Cc: Radelet, Steve
Subject: RE: India/Dabhol Meeting

We will go ahead and have the meeting on Wednesday January 24 at 3 pm. This time works for Greg as well. Thanks, geetha

-----Original Message-----

From: Christopulos, Greg
Sent: Monday, January 22, 2001 3:04 PM
To: Rao, Geetha; Grewe, Maureen; Mills, Marshall; Sampliner, Gary; Clapp, Gene
Cc: Radelet, Steve
Subject: RE: India/Dabhol Meeting

Is there a chance this meeting can be moved up an hour or so?

-----Original Message-----

From: Rao, Geetha
Sent: Monday, January 22, 2001 3:01 PM
To: Grewe, Maureen; Mills, Marshall; Sampliner, Gary; Christopulos, Greg; Clapp, Gene
Cc: Radelet, Steve
Subject: FW: India/Dabhol Meeting

Attached is background material for the Enron meeting on Wednesday. Pls. note Mr. John Hardy will also be attending.

-----Original Message-----

From: Tom.Briggs@enron.com [mailto:Tom.Briggs@enron.com]
Sent: Monday, January 22, 2001 1:54 PM
To: geetha.rao@do.treas.gov
Subject: India/Dabhol Meeting

Geetha,

My apologies for the delay in sending this material. I have lost both my regular assistant and my temp so I am a bit overwhelmed.

John Hardy will be attending the meeting tomorrow at 3. [(b)(6)]
If you could remind me of the address of the meeting I would appreciate it. I managed to lose that as well.

John and I have a brief agenda: 1) we want to update you on Dabhol and 2) we want to discuss way in which the USG may become involved in encouraging market reform necessary to extract value out of our generating asset. Specifically, we want to focus on reiform at the Indian federal level that will be necessary to deliver power to customers other than MSEB.

We look forward to meeting you tomorrow.

(See attached file: Dabhol PPA - DC Talking Points.doc)

Sent: Monday, January 22, 2001 1:54 PM
To: geetha.rao@do.treas.gov
Subject: India/Dabhol Meeting

Geetha,

My apologies for the delay in sending this material. I have lost both my regular assistant and my temp so I am a bit overwhelmed.

John Hardy will be attending the meeting tomorrow at 3. [(b)(6)]
If you could remind me of the address of the meeting I would appreciate it. I managed to lose that as well.

John and I have a brief agenda: 1) we want to update you on Dabhol and 2) we want to discuss way in which the USG may become involved in encouraging market reform necessary to extract value out of our generating asset. Specifically, we want to focus on reformat at the Indian federal level that will be necessary to deliver power to customers other than MSEB.

We look forward to meeting you tomorrow.

(See attached file: Dabhol PPA - DC Talking Points.doc) << File: Dabhol PPA - DC Talking Points.doc >>

Clapp, Gene

From: Rao, Geetha
Sent: Monday, January 22, 2001 3:01 PM
To: Grewe, Maureen; Mills, Marshall; Sampliner, Gary; Christopoulos, Greg; Clapp, Gene
Cc: Radelet, Steve
Subject: FW: India/Dabhol Meeting

Dabhol PPA - DC
Talking Points... Attached is background material for the Enron meeting on Wednesday. Pls.
note Mr. John Hardy will also be attending.

-----Original Message-----
From: Tom.Briggs@enron.com [mailto:Tom.Briggs@enron.com]
Sent: Monday, January 22, 2001 1:54 PM
To: geetha.rao@do.treas.gov
Subject: India/Dabhol Meeting

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(See attached file: Dabhol PPA - DC Talking Points.doc)

Dabhol Power Company
January 10, 2001

[(b)(4)]

[(b)(4)]

[(b)(4)]

Clapp, Gene

From: Grewe, Maureen
Sent: Tuesday, January 23, 2001 8:55 AM
To: Rao, Geetha; Mills, Marshall; Sampliner, Gary; Christopoulos, Greg; Clapp, Gene
Cc: Radelet, Steve
Subject: RE: India/Dabhol Meeting

Please note the following article from this morning's press summary:

US Envoy: India's Enron Project Key To Foreign Investment

BOMBAY (AP)—U.S. Ambassador to India Richard Celeste warned Monday that foreign investment in India would falter because of political pressures that threatened to derail the \$3 billion Enron Corp. (ENE) power project.

"It regrettably feeds the concern among American and other foreign investors that India remains a less-than-reliable destination for their investment dollars," Celeste told an audience of business leaders, politicians and nongovernment agencies in Bombay, India's financial hub:

India's largest-ever foreign investment has been in trouble since December after the government of Maharashtra state, in which Bombay is situated, said it would review a power-purchase agreement with U.S. energy giant Enron Corp. Maharashtra considers the power rates being charged are exorbitant.

The agreement signed in 1995 details the rate at which Enron's Indian subsidiary, the Dabhol Power Co., will sell electricity to the state.

The project's first phase, a power plant of 740 megawatts, already has been commissioned, while the second phase of 1,444 megawatts is scheduled for completion by end 2001.

Depreciation of the Indian rupee and high cost of naphtha used to generate electricity caused the power generated by the Enron project to touch 7 rupees a unit as against INR1.80 agreed on when the deal was signed six years ago (\$1=INR46.375).

Enron has said it saw no current need to renegotiate the tariff and maintained that a transition from naphtha to liquefied natural gas would reduce the tariff.

Celeste, an appointee of former U.S. President Bill Clinton, said he hoped both sides would find a solution in ongoing discussions, but cautioned that "perceptions among American and other foreign investors will be affected by the challenge to Dabhol and how it is resolved."

He said despite partnerships in software and information technology, U.S. investors were wary of India because of political pressures at the federal and state level that had slowed the economic-reform agenda.

Stressing the need to strengthen business ties with India, Celeste focused on the Enron project and asked that "The Dabhol power plant remain a symbol of successful American investment in India and not a symbol of the impediments that still hinder even greater foreign direct investment."

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Received by NewsEDGE/LAN: 1/22/01 7:23 PM

—Original Message—

From: Rao, Geetha
Sent: Monday, January 22, 2001 3:01 PM
To: Grewe, Maureen; Mills, Marshall; Sampliner, Gary; Christopoulos, Greg; Clapp, Gene
Cc: Radelet, Steve
Subject: FW: India/Dabhol Meeting

Attached is background material for the Enron meeting on Wednesday. Pis. note Mr. John Hardy will also be attending.

—Original Message—

From: Tom.Briggs@enron.com [mailto:Tom.Briggs@enron.com]

Radelet
out Weekly
2/6/01

[OUTSIDE SCOPE , (b)(5)]

Electricity reform law generates more controversy: On Thursday, Parliament approved an article of the law extending the deadline for the completion of contracts to transfer operating rights (TOR) for electricity distribution from March 31 to June 30. The draft law to end the state monopoly on power production and distribution, has been part of World Bank and Fund conditionality since early last year. The Turkish authorities did miss the structural performance criterion of enactment by February 15, but passage of the whole law and enactment are expected next week. [(b)(5)]

[OUTSIDE SCOPE , (b)(5)]

Rao, Geetha

From: Grewe, Maureen
Sent: Thursday, July 12, 2001 2:57 PM
To: Rao, Geetha
Subject: RE: Enron talking points

sounds like you have it well in hand. Good work.

Let me know what Janet has to say when she calls you back.

-----Original Message-----

From: Rao, Geetha
Sent: Thursday, July 12, 2001 2:53 PM
To: Grewe, Maureen
Subject: Enron talking points
Importance: High

I left a message with Gary/Gay - still no word - Katie berg oked the talking points (and agreed to move the EXIM/OPIC point down below)

Janet Speck is out at a meeting and should be back at 4 - i left her a message to clarify the situation.

I spoke to Gary Usrey who mentioned that the first set of points that Adam sent over this morning are the most recent ones, as far as he knows. [(b)(5)]

I think Janet and her office had something to do with including that as the first point.. He told me to take up this issue with her.. He'll be back in his office at 5 so requested a voicemail by then.

so that is where we stand right now -

Rao, Geetha

From: [(b)(6)]
Sent: Monday, September 03, 2001 10:14 PM
To: Geetha.Rao@do.treas.gov
Subject: Re: FW: Comments on Investment papers for Dam's book

Geetha, thanks for these. I'll read tonight and we can chat in the morning. I agree that we need a note on the Enron case.

>

>

> > ----Original Message----

> > From: Rao, Geetha

> > Sent: Monday, September 03, 2001 11:29 AM

> > To: McDonald, Larry

> > Subject: Comments on Investment papers for Dam's book

> > Importance: High

> >

> >

[(b)(5)]

> > Please comment and we would need to send back to ITI for their approval.

> > Thanks!

> >

> >

> > <<India invt climate1.doc>> <<Briefing on OPIC-Dabhol.doc>>

India – Enron Dispute

[(b)(5)]

Drafted by: Geetha Rao, x1238
Cleared by Investment Office
05/02/01

FAX COVER SHEET

ENRON, WASHINGTON
1775 Eye Street Street, N.W.
Washington, DC 20006
202-828-3360
202-828-3372 (fax)

TO: Marshall Mills

FROM: Tom Briggs

FAX #: 622-0037

RE: _____

DATE: _____

Number of pages including cover sheet: 4

Message:

Strickler, Marie

From: McCardell, Dan
Sent: Thursday, January 17, 2002 12:20 PM
To: Strickler, Marie
Subject: Enron Summary for OPL



Enron Summary
OPL.doc

Monborne, Mark

From: Sharer, James
Sent: Wednesday, January 16, 2002 4:55 PM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto; Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin, Thomas; wallarjg; wayneea
Subject: Financial Markets Night Report 1/16/02

[OUTSIDE SCOPE , (b)(5)]

Monborne, Mark

From: Sharer, James
Sent: Tuesday, January 15, 2002 4:43 PM
To: _DL_Market Group; Andrew D. Sacher; David Griffiths; Eric H. Otto; Jay Hoffman; Lundsager, Meg; Phillippa Malmgren; reidjp; Shevlin, Thomas; wallarjg; wayneea
Subject: Financial Markets Night Report 1/15/02

[OUTSIDE SCOPE , (b)(5)]

• Goals for 2002

[(b)(5)]

01342

For a speech and/or op-ed piece by P. Fisher

[(b)(5)]

01348

0120000000704

[(b)(5)]

01349

0120000000705

August 8, 2000

Lee's Office

(6)

CEA update + meeting w/ LHS

[(b)(5)]

01350

[(b)(5)]

②

01351

6/27/2000

CFTC Hearing on

Reg. Relief Proposal

Day I: MTEFs

①

[(b)(5)]

01352

2

[(b)(5)]

?

01353

[(b)(5)]

01354

④
[(b)(5)]

01355

0120000000711

[(b)(5)]

01356

0120000000712

(b)(5)

01357

House Ag. Full Committee meeting was ~~Monday~~? 4/2, 4/5/11

[(b)(5)]

01358

~~12/04/01~~

Erison Online

[(b)(5)]

01446

0120000000802

Bair, Sheila

From: Bair, Sheila
Sent: Tuesday, January 08, 2002 5:56 PM
To: Carleton, Norman
Subject: RE: CFTC's Exemption for Certain Contracts Involving Energy Products (April 20, 1993)

[(b)(5)]

-----Original Message-----

From: Carleton, Norman
Sent: Tuesday, January 08, 2002 5:44 PM
To: Bair, Sheila
Subject: RE: CFTC's Exemption for Certain Contracts Involving Energy Products (April 20, 1993)

[(b)(6) , (b)(5)]

Norman

-----Original Message-----

From: Bair, Sheila
Sent: Tuesday, January 08, 2002 5:24 PM
To: Carleton, Norman
Subject: RE: CFTC's Exemption for Certain Contracts Involving Energy Products (April 20, 1993)

Norm -- [(b)(5)]

Sheila

-----Original Message-----

From: Carleton, Norman
Sent: Tuesday, January 08, 2002 5:14 PM
To: Bair, Sheila
Cc: Smith, Amy; Bair, Sheila; Berardi, Steve; Bitsberger, Timothy; Eichner, Matthew; Gabilondo, Jose; Gross, Jared; Hammer, Viva; Lori Sanatamora (E-mail); Nikoloff, Peter; Novey, Michael; Pietrangeli, Fred; Roseboro, Brian; Schultheiss, HeidiLynne; Whaley, Jean; Wiedman, Mark
Subject: CFTC's Exemption for Certain Contracts Involving Energy Products (April 20, 1993)

Sheila,

The CFTC proposed an exemptive order for certain energy contracts on January 27, 1993. It was finalized on April 20, 1993. (As you know, you dissented because the exemption extended to the antifraud provisions of the CEA.)

I talked to Ken Raisler about this. He indicated that the energy coalition was concerned about forward contracts being characterized as futures contracts in light of a federal district court decision that Brent oil contracts were futures contracts(Transnor). The CFTC issued a statutory interpretation in 1990 that said that Brent contracts were not futures contracts; however, the energy coalition which Mr. Raisler represented was not sure that statutory interpretation would hold up in court, especially since Commissioner's Fowler West had issued a coherent dissent.

The legislative history of the Futures Trading Practices Act of 1992 directed the CFTC to use its new exemptive authority for three classes of instruments: swaps, hybrids, and energy contracts.

Mr. Raisler said that the definition of swap contained in the swap exemption did not clearly cover forward contracts that might be considered futures. The energy coalition was concerned about contracts, such as Brent contracts, that called for physical delivery of the commodity but that, as a matter of practice, were often offset by other contracts. By their terms though the contract called for delivery, and it was not clear that these were "swaps" as then defined (or not).

[(b)(5)]

Norman

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Norm -- [(b)(5)]

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[(b)(5)]

Norman

Bair, Sheila

From: Bair, Sheila
Sent: Tuesday, January 08, 2002 4:06 PM
To: Carleton, Norman
Subject: RE: PWG's Report on OTC Derivatives and the CEA

thanks

-----Original Message-----

From: Carleton, Norman
Sent: Tuesday, January 08, 2002 2:51 PM
To: Bair, Sheila
Cc: Roseboro, Brian; Bitsberger, Timothy; Wiedman, Mark; Gross, Jared; Schultheiss, Heidi Lynne; Nicoloff, Peter
Subject: PWG's Report on OTC Derivatives and the CEA

Sheila,

[(b)(5)]