#### Briefing

#### MEMORANDUM FOR SECRETARY O'NEILL

FROM:

John B. Taylor, Under Secretary for International Affairs

SUBJECT:

Your meeting with Indian Finance Minister Yashwant Sinha

The Embassy of India has requested a meeting with you for the Indian Finance Minister Yashwant Sinha on Thursday, September 27, 2001 prior to the World Bank and IMF meetings in Washington at the end of September. DAS Steve Radelet, Larry McDonald (the director of the Middle East and South Asian Office), Geetha Rao (India desk officer) and I will join you for this meeting. Finance Minister will be joined by XXXX.

This will be your second meeting with Finance Minister Sinha, whom you met for the first time on April 27, 2001. [(b)(5)]

# Overview for the Meeting with Indian Finance Minister Sinha

[(b)(5)]

ATTACHMENTS:

Tab A: Background on Economic Developments

Tab B: Selected Economic Indicators

Tab C: The India - United States Financial and Economic Forum

#### MEMORANDUM FOR SECRETARY O'NEILL

FROM:

Acting Assistant Secretary Sobel (International Affairs)

SUBJECT:

Meeting with Indian Finance Minister Yashwant Sinha

Date and Time:

April 27, 2001 at 4:00 - 4:45

Location

TBA

PARTICIPANTS:

Treasury:

Secretary O'Neill

DAS Radelet Others TBA

Government of India:

Finance Minister Yashwant Sinha

Indian Ambassador Lalit Mansingh

Mr. Rakesh Mohan, Advisor to the Finance Minister Mr. Adarsh Kishore, Additional Secretary (Fund/Bank)

Mr. Yogesh Khanna, Minister (Economic)

BRIEFING:

Overview & Key Points

ATTACHMENTS:

Tab A: Macroeconomic Overview

Tab B: Selected Economic Indicators

Tab C: Background on Development Committee Issues

Tab D: The India - United States Financial and Economic Forum

Prepared by Geetha Rao OASIA/ISM 4/18/01

# Meeting With Indian Finance Minister Yashwant Sinha April 27, 2001

OVERVIEW

[(b)(5)]

KEY ISSUES

Rao/OASIA/ISM 4/18/01

# INDIA MACROECONOMIC OVERVIEW April 2001

#### November 8, 2001

Briefing

#### MEMORANDUM FOR SECRETARY O'NEILL

FROM:

John B. Taylor, Under Secretary for International Affairs

SUBJECT:

Your Lunch with Indian Prime Minister Vajpayee at the White House

Indian Prime Minister Atal Bihari Vajpayee is meeting with the POTUS tomorrow morning at the White House. You have been invited to join them at a luncheon in honor of the Prime Minister. Below is some background information on key issues that may be useful.

TAB B

INDIA: ECONOMIC OVERVIEW November 2001

TRE	ASURY CLE	ARANCE SHEET	NO
MEMORANDUM FOR:	SECRETARY ACTION LEGISLATION REGULATION OTHER	X DEPUTY SECRETARY X BRIEFING PRESS RELEASE SPEECH	UNDER SECRETARY INFORMATION PUBLICATION TESTIMONY
THROUGH:			
FROM: Jo	hn B. Taylor, Un	der Secretary for Intern	national Affairs
SUBJECT: Y	our meeting with	Indian Finance Ministe	er Yashwant Sinha
REVIEW OFFICES (Chec	k when office cle	ears):	
Under Secretary Domestic Fin. Economic Pol Fiscal FMS Public Deb	ance licy	Enforcement ATF Customs FLETC Secret Service General Counset Inspector General	Policy Management Scheduling Public Affairs/Liaison Tax Policy Treasurer E. & P Mint
Under Secretary International		IRS Legislative Affairs Management OCC	Savings Bonds Other

NAME (Please Type)	INITIAL	DATE	OFFICE/ROOM NO.	TEL. NO.
INITIATOR(S)	D. A. S.	1 2 22		100
Geetha Rao	4 25		ISM/ 5332 MT	622-1238
REVIEWERS				
Larry McDonald			ISM / 5401 MT	622-5504
Steve Radelet	2	1000	IS	622-7222

#### INFORMATION

# MEMORANDUM FOR UNDERSECRETARY TAYLOR

FROM: Steven C. Radelet, DAS (Africa, Middle East, South Asia)

SUBJECT: OPIC's role in Enron's Power Dispute in Maharashtra

#### November 5, 2001

BRIEFING

#### MEMORANDUM FOR DEPUTY SECRETARY DAM

FROM:

John B. Taylor, Under Secretary for International Affairs

SUBJECT:

Meeting with U.S. Ambassador to India, Robert D. Blackwill

At his request, we have scheduled a 30-minute meeting for you with U.S. Ambassador to India Robert Blackwill on Tuesday, November 6. Middle East and South Asia Director Larry McDonald, India Desk Officer Geetha Rao, and I are available to join the meeting for the first 15 minutes. This meeting will take place in your office.

#### Tuesday, November 6, 9:15 Meeting with U.S. Ambassador Robert Blackwill 30 minutes

Ambassador Blackwill will be in Washington DC this week to meet with a range of U.S. government officials. He requested a specific meeting with you to discuss U.S.-India economic relations. He is likely to ask about Treasury's current plan on rescheduling the U.S.-India Economic and Financial Forum.

[(b)(5)]

ATTACHMENTS: Tab A: U.S. Ambassador Robert Blackwill's bio (provided by State)

Tab B: India's Economic Overview (G. Rao)
Tab C: Selected Economic Indicators (G. Rao)

Prepared by Geetha Rao, Office of Middle East and South Asia (622-1238)

# Robert D. Blackwill Ambassador of the United States of America to the Republic of India

Ambassador Blackwill took up his duties in India on July 27.

The Ambassador was the Belfer Lecturer in International Security at Harvard University's John F. Kennedy School of Government and taught foreign and defense policy and qualitative public policy analysis. A former Associate Dean of the Kennedy School, he was faculty chairman of the School's Executive Program for U.S. and Russian General Officers; of the School's Chinese Security Studies Program; and of the Kennedy School's Middle East Initiative.

He is the author of many books and articles including co-editor of Conventional Arms Control and East-West Security (Duke University Press, 1989), and A Primer for the Nuclear Age (University Press of American, 1990). He also co-edited New Nuclear Nations (Council on Foreign Relations Press, 1993) with Albert Carnesale, Damage Limitation or Crisis? Russia and the Outside World (Brassey's Inc., 1994) with Sergei Karaganov, and Allies Divided: Transatlantic Policies for the Greater Middle East (MIT Press, 1997) with Michael Sturmer of German's Research Institute for International Affairs. Other books include Engaging Russia (The Trilateral Commission, 1995) with Rodric Braithwaite and Akihiko Tananka, and Arms Control and the US-Russian Relationship (Council on Foreign Relations Press, 1996). In 1999, the Council on Foreign Relations published his monograph, The Future of Transatlantic Relations. His latest book, America's Asian Alliances, co-edited with Paul Dibb, was published in July 2000 by MIT Press.

A career diplomat from 1967, Blackwill had previously been a Peace Corps Volunteer in Malawi. During his foreign service career, he served as Political Officer in Embassy Nairobi; Executive Assistant to the U.S. Ambassador in London; Political Counselor in Embassy Tel Aviv, Director of West European Affairs on the National Security Council Staff; Principal Deputy Assistant Secretary for European Affairs; and U.S. Ambassador and Chief Negotiator at the Negotiations with the Warsaw Pact on conventional forces in Europe. He was Special Assistant to President George Bush for European and Soviet Affairs in 1989-90. In December 1990, while at the White House, he was awarded the Commander's Cross of the Order of Merit by the Federal Republic of Germany for his contribution to German Unification.

August 2001

### INDIA: ECONOMIC OVERVIEW October 2001

<sup>1</sup> The current fiscal year runs from April 2001-March 2002.

India:	Selected	Economi	c Indicators	1/

Prepared by Geetha Rao

TRE	ASURY CLE	ARANCE SHEET	NO. Date
MEMORANDUM FOR:	SECRETARY ACTION LEGISLATION REGULATION OTHER	□ DEPUTY SECRETARY     □ BRIEFING     □ PRESS RELEASE     □ SPEECH	UNDER SECRETARY INFORMATION PUBLICATION TESTIMONY
THROUGH:			
FROM: Jo	ohn B. Taylor, Une	der Secretary for Interna	ational Affairs
SUBJECT: M	feeting with U.S.	Ambassador to India, R	obert D. Blackwill
REVIEW OFFICES (Che	ck when office cle	ears):	
Under Secretar Domestic Fin Economic Po Fiscal FMS Public Det	ance licy	Enforcement ATF Customs FLETC Secret Service General Counsel Inspector General	Policy Management Scheduling Public Affairs/Liaison Tax Policy Treasurer E & P Mint
Under Secretar International	y (International) I Affairs	IRS Legislative Affairs Management	Savings Bonds Other

NAME (Please Type)	INITIAL	DATE	NO.	TEL. NO.
INITIATOR(S)				
Geetha Rao			ISM/ 5332 MT	622-1238
REVIEWERS				
Larry McDonald	+		ISM / 5401 MT	622-5504
Steve Radelet			IS	622-7222

# INDIA MACROECONOMIC OVERVIEW April 2001

# INDIA: MACROECONOMIC OVERVIEW June 2001

# INDIA: ECONOMIC OVERVIEW October 2001

<sup>1</sup> The current fiscal year runs from April 2001-March 2002.

[(b)(5)]	
	Prepared by Geetha Rao, Office of Middle East and South Asia

# INDIA: ECONOMIC OVERVIEW November 2001

<sup>&</sup>lt;sup>1</sup> The current fiscal year runs from April 2001-March 2002.

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Prepared by B. Resnick, G. Christopulos/ITI: 9/05/01

* *				court.	
Ind	ia: Ir	ivesti	ment	Chr	nate

G:\ITI\Bonnie\India invt climate.doc

WEEKLY ISSUES (ITI)

Dabhol Power Dispute in India

Weekly

India

Weekly

India Feb 16

Weekly Aug 24 India

OASIA weekly

Weekly April 6

India

Weekly April 27

India

India

India

India

Weekly Jan 26

India [(b)(5)] Weekly

India

Weekly Mar 09

India

OAISA weekly

India

IA weekly Nov 30

From: Alok Sheel [(b)(6)]

Sent: Wednesday, September 05, 2001 2:07

To: geetha rao

Subject: Fw: Our Meeting on August 23rd 2001

Dear Geetha,

May like to see our recent letter to Moody's Investor services. Thanks for the Disinvestment Commission link. Its really very good. Any news regarding a meeting between Secretary of the treasury and the Indian FM?

regards.

Alok

---- Original Message -----

From: Alok Sheel

To: David H Levey : Atsi Sheth

Cc: yogesh khanna ; Joydeep Mukherji ; Chaturvedi Anil

Sent: Friday, August 31, 2001 10:50 AM

Subject: Re: Our Meeting on August 23rd 2001

## Dear David Levey,

It was a pleasure meeting with you and Atsi Sheth in your New York office on August 23<sup>rd</sup>. Our discussions with you were most fruitful. I am sure you would agree with me that meetings such as this would lead to a more fuller appreciation of each other's viewpoints. Moodys' Investor services has a tremendous reputation and track record, and has the ability to significantly influence both the volume and cost of capital flows to emerging markets like India. Since we envisage a major role for private capital inflows to boost growth rates by supplementing domestic savings, we listen carefully to any observations that you might have to make regarding India as this constitutes an important market signal. As suggested by you, we would like to share some of our reflections on your recent press statement dated August 8, 2001 while downgrading India's foreign currency country ceiling from Ba2 positive to stable, and from Ba2 positive to negative on domestic currency debt.

Turning first to the external sector. It was, inter alia, observed that Moody's "decision to remove the positive outlook on the foreign currency ceiling (assigned in October 1999) reflects its analysis that current and capital account inflows on the balance of payments will be insufficient to prevent a further rise in the country's external debt liabilities.

"In the absence of significant foreign investment, non-resident Indian inflows (through private transfers and bank deposits) and commercial debt-creating capital are now the major source of balance of payments support, which cannot be relied upon to provide financing on an ongoing basis in all market conditions" An analysis of India's external payments position would reveal that since the early nineties, India's trade deficits have not primarily been financed by external borrowings, but mainly through a mix of invisible receipts on the current account (mainly remittances by the Indian diaspora working abroad, and services earning in the Information Technology sector) and non-debt creating (equity) capital flows. The current account balance as a percentage of the GDP has been contained in the range of 1-1.5 % of the GDP over the last few years (including the financial year ending March 2001, when it was below one percent), compared to over 3% in the late eighties and early nineties. Even in absolute terms the current account deficit today is lower than what it was in the late eighties/early nineties, even through the base of the economy has grown substantially. Capital flows over this period have far exceeded the current account deficit, as a result of which foreign currency reserves have doubled from around US \$ 20 billion in the mid nineties to over US \$ 40 billion at present. India's external debt, in the meanwhile remains practically the same today as what it was in March 95, at about US \$ 100 billion. The reserve build up is basically through equity flows, and not through borrowing. Even during the financial year ending March 2001, during which the country raised about US \$ 5.5 billion through an international debt offering, the external debt increased by less than US \$ 2 billion in the aggregate, implying that other debts were repaid. Less than a third of the reserve build up during the FY ending 2001 can be attributed to debt, despite the international debt offering.

It is undoubtedly true that India's external debt is large in absolute terms. However, practically the entire debt was accrued by the early nineties, when external imbalances were allowed to spill over into the external sector. Following far reaching changes in economic policies in the early nineties, this debt has been by and large frozen. Despite fiscal slippages, domestic imbalances have not been allowed to spill over into the external sector. Consequently, debt servicing and debt/GDP ratios have fallen sharply over the last few years, and this trend has continued into the fiscal year ending 2001. Compared to other developing countries, India has a much higher proportion of concessional debt, which is of long maturity, and only about 5% of the debt is short-term. Despite external shocks, India has neither defaulted nor rescheduled its external debt.

It is true that POL imports comprise a significant proportion of India's total exports, and as such it is susceptible to oil price shocks. However, its capacity to absorb such shocks has improved vastly over the last few years. While an oil price shock may have been the immediate provocation to access international markets last year, this was more in the nature of a confidence boosting measure, than inability to absorb the shock. If India had not gone in for the borrowing, reserves would still have risen marginally.

It is unfortunate that Moody's have implied that current account invisible flows constitute a weak link in India's overall balance of payments. While exports of developing

countries are typically sensitive to growth in OECD countries, India's invisible flows provide a natural hedge to such volatilities. Much of the remittances, which are not debt creating, derive from the earnings of the Indian disapora, who are mainly professionals. These revenue streams are only indirectly affected by the global economic slowdown. The second major segment in India's invisible current account receipts derive from its export of IT services, in which India is acknowledged to have some sort of comparative/strategic advantage. While the recession in the American IT sector, a major market for Indian software exports, has undoubtedly halted the astonishing growth rate of these exports, these have not been dented as badly as expected because as International companies seek to cut costs they are also turning to outsourcing services which can be provided out of India at competitive costs. This again provides a natural hedge to decline in other external flows on account of the global downturn.

During our discussion, some concern was voiced regarding outstanding liabilities to NRIs "below the line". However, a perusal of India's external debt statistics will show that there has not been any increase in such liabilities over the last few years. Between 1995 and 2001, while long-term debt owed to NRIs has increased by about US \$ 3 billion, the short-term debt owed to them has declined by about US \$ 3.5 Billion. There has, in effect, been a net *reduction* in NRI debt over this period.

It is particularly unfortunate that Moody's press release was made at around the time the IMF's earlier concern about India's capital account was easing. In its Press Information Notification (PIN) on its article IV consultations dated August 14, 2001, the IMF observed: "These pressures eased in late 2000 and into early 2001. The government's India Millennium Deposit (IMD) scheme—involving a five-year instrument marketed to nonresident Indians—yielded inflows of \$5.5 billion in October and November 2000. The boost to reserves and the softening of world oil prices helped restore market confidence, and the cut in U.S. interest rates in early 2001 also helped strengthen the sentiment toward the rupee. In early 2001, the rupee/dollar rate had recovered some of its earlier losses, portfolio inflows had rebounded, and gross reserves reached \$43 billion by early June (nearly 6 months of imports and four times short-term external debt)."

Turning now to domestic fiscal issues. While acknowledging some of the weaknesses cited, we would nevertheless like to make the following observations:

- 1. At least some of this weakening can be attributed to an emerging global recession. Having said that, India's relatively closed economy also provides a natural hedge against such downturns, as a result of which the economy is still poised to grow at above 5% in real terms, which is not too bad in relation to growth rates elsewhere in the world. The monsoons this year have been good, and given the high share of agriculture in the GDP, the prospects of sustaining a 5% plus growth in the current fiscal are bright. This might improve further if global growth and the industrial slowdown revives.
- 2. There have admittedly been some fiscal slippages, but again most of this is

attributable to revenue shortfalls deriving from lower growth, and interest payments, which reflect past borrowings, rather than to runaway expenditure. During the first three months of the FY 2001-2002, total receipts were 8.8% of the annual budgeted estimate, as against 14.1% in the corresponding period last year. Total expenditure, on the other hand, was 17.3% of the annual budgeted estimate, only marginally higher than 16.9% in the corresponding period last year. Indeed, by lowering the benchmark small savings interest rates, once growth picks up, the fiscal situation can be expected to improve on account of decline in interest liabilities in future.

- 3. While a higher fiscal deficit has meant that government's borrowing requirements have increased, this increase has not been so great as to warrant fears of crowding out of private investment. The economy has been able to sustain the lower interest rates in real terms, as there has not been any significant increase in inflation. It may be observed that since the Government's deficit is mostly financed through market borrowings, interest rates are subject to market discipline.
- China started opening up and reforming its economy over two decades ago, whereas India's liberalisation process is barely 10 years old. It is moreover being conducted in a democratic environment, based on consensus across the entire spectrum of political groupings, which reduces long term political risk, or the probability that the reform process would ever be reversed. Although several governments and parties have come and gone during the last ten years, the movement, if slow, has been in only one direction, and that has been forward. In developing countries there is arguably some trade-off between democracy and pace of growth and change. There have been no reversals in economic policy. Parties and governments have differed on timing, pace and sequencing, but not on the substance of reforms. Most of the opposition to reform that is articulated is clearly electoral rhetoric, since the same party when it comes to power follows economic policies no different from its predecessor, indeed, carries the reform process forward. Despite the fractious polity, the federal cabinet has recently approved three important second generation reform bills, viz. the forward looking "Convergence" bill seeking to integrate the IT, communications and entertainment sectors, the Electricity Bill, which would ensure that the Enron imbroglio is not repeated, and the Competition Bill. These bills will shortly be placed before parliament for approval.

We are sure that Mood's would agree with us that part of the weakening of the economic outlook in the country mirrors the current bleak global economic scenario. Indeed, many

other countries who are more closely integrated into the world system have seen their economic fortunes affected far worse than what India has witnessed. With all its weaknesses, India has certain natural hedges against the global recession, which can be gauged from the continued robustness of its external sector, and domestic growth rates, which are still high by current global standards. We listen very carefully to the credit rating agencies, because we appreciate the importance of private capital flows to our growth process, and are sensitive to the cost of such capital, both of which are adversely impacted by negative assessments by credit rating agencies, thereby making the daunting task of development more difficult for developing countries like ours. We understand the concerns of Moody's on some of the issues raised in the press statement, but I hope it is also appreciated that whatever the stress, external and/or domestic, the Indian government has never defaulted on, or rescheduled, its liabilities, unlike a number of other countries. Therefore overseas lenders to India, and indeed domestic bond holders, may not be exposed to risk to the extent that Moody's assessment may indicate. India has also in recent years eschewed deficit financing through recourse to the mint as a way out of fiscal stress, and hence inflation and real interest rates have held their own. The real effective exchange rate of the rupee has also not undergone any precipitous change, one way or the other, ever since it was floated on the current account in the early nineties.

Credit rating agencies are, and should be, independent agencies, at arms length from both corporate entities and sovereigns, as this neutrality is the bedrock of their credibility, and we appreciate this independence. However, we nevertheless hope that in future Moody's would take into account our observations on their concerns before firming up their views on India's ratings. Please fell free to approach us for any financial and economic data or for our comments on any particular concern.

With regards,

Sincerely,

Alok Sheel,

Counsellor (Economic)

Embassy of India

Washington DC,

USA

01/16/2002

From:

Berg, Katie

Sent:

Wednesday, July 11, 2001 4:09 PM

To:

Sills, Gay; Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

I must admit to never having heard of this problem. Geetha's revised talking points look good to me, but I would suggest that OPIC clear with Exim in addition to State and Treasury if Exim is involved.

----Original Message-

From:

Sills, Gay

Sent:

Wednesday, July 11, 2001 3:54 PM

To:

Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve; Berg, Katie

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

[(b)(5)] eximbank am adding katie berg, she does export credits, and

----Original Message-----

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 1:54 PM

Tot

Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve Subject: RE: Dabhol meeting on Enron/OPIC project at NSC

Importance:

High

Attached are the revisions to the OPIC talking points that OPIC sent over late yesterday. [(b)(5)]

The Charge from the US Embassy will most likely deliver the points to the GOI. Please comment asap. Thanks.

<< File: EmbtalkY1.doc >>

·····Original Message·····

Grewe, Maureen

Wednesday, July 11, 2001 12:52 PM

To: Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary; Rao, Geetha Cc: Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

Dabhol meeting on Enror/OPIC project at NSC

Importance:

This is a readout of the meeting at NSC this morning. There is also an ACTION request. USG agencies are requested to get back to NSC by cob tomorrow with comments on OPIC's suggested talking points for a demarche to the GOI by the Charge in Delhi. I talked to the State reps after the meeting (from South Asia bureau, Investment office and Larson's office) and they seem to be basically in the same place as I was on what an appropriate message might be. My proposed plan is that Geetha will take a first crack at comments on the talking points and circulate them within Treasury as early as possible this afternoon. Lam requesting. that everyone provide comments by cob today, so that we can circulate our comments to State and try to come up with joint suggested points to submit to NSC by cob tomorrow. Please let me know if you have any concerns about this plan.

Readout of meeting:

Attendees: NSC, State (EB front office and investment office, South Asia Bureau), Tressury (Grewe, Rao, Sampliner), Commerce, OPIC (President Peter Watson, GC Ron Jonkers and several others)

1

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Geetha v	vill circulate rev so we can try and.	vised points too	lav. Please o	comment as q	uickly as you c	an and by cob	today if

Thanks.

From:

Christopulos, Greg

Sent:

Friday, August 31, 2001 2:33 PM

To: Rao, Geetha

Subject:

FW: Dabhol-OPIC insert



fyi

----Original Message----

From: Jonkers, Ronald [mailto:RJONK@opic.gov]

Sent: Friday, August 31, 2001 12:16 PM To: 'greg.christopulos@do.treas.gov'

Subject: Dabhol-OPIC insert

Please find enclosed an update insert for the briefing book. Just about everything in here will likely be old by the end of next week (there will be meetings at OPIC with the lenders, Enron, and the Indian institutions next week). Would you like a short status update by telephone to give you a more complete picture? < < chrisot.doc > >

Briefing for Treasury Dabbol 8/31/01

From:

Christopulos, Greg

Sent:

Monday, August 27, 2001 10:15 AM

To:

Sills, Gay; Wallace, James; Rao, Geetha; LandbergCA@State.Gov

Subject:

Enron dispute with India.

This morning I talked to John Hardy from Enron about Friday's FT article about Enron's dispute with the Gov of India and Enron's threats to have the USG apply sanctions.

Hardy realizes the head of the company was poorly briefed about the likelihood that the USG would apply sanctions anytime soon. He said Enron wants to work out a deal and is not trying to escalate the situation right now.

From:

Christopulos, Greg

Sent:

Tuesday, July 24, 2001 10:25 AM

To: Ce: Rao, Geetha Sampliner, Gary

Subject:

RE: Info memo to Taylor on Enron

# [(b)(5)]

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

Rao, Geetha From:

Sent: To:

Tuesday, July 24, 2001 10:12 AM Christopulos, Greg; Sampliner, Gary

Subject:

RE: Info memo to Taylor on Enron

# [(b)(5)]

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

From: Christopulos, Greg

Sent: To:

Tuesday, July 24, 2001 10:07 AM Rao, Geetha; Sampliner, Gary Subject: RE: Info memo to Taylor on Enron

# [(b)(5)]

----Original Message----

Rao, Geetha

Sent:

Tuesday, July 24, 2001 9:57 AM

To: Sampliner, Gary; Christopulos, Greg

Subject:

RE: Info memo to Taylor on Enron

# [(b)(5)]

----Original Message----

From:

Sampliner, Gary

Senta To:

Monday, July 23, 2001 6:35 PM Christopulos, Greg; Rao, Geetha

Subject:

RE: Info memo to Taylor on Enron

I looked back to the sheet, and it says \$143m in loan guaranties.

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

From:

Christopulos, Greg

Senta To:

Monday, July 23, 2001 6:28 PM Sampliner, Gary; Rao, Geetha

Subject:

RE: Info memo to Taylor on Enron

The correct numbers are in the handout OPIC distributed at the NSC meeting. Geetha, is that where you got the numbers?

----Original Message--

From: Sampliner, Gary

Sent: To:

Monday, July 23, 2001 6:22 PM Rao, Geetha; Christopulos, Greg

Subject:

RE: Info memo to Taylor on Enron

[(b)(5)]

- no other comments.

----Original Message---

From:

Rao, Geetha

Sent:

Monday, July 23, 2001 5:11 PM

To:

Sampliner, Gary; Christopulos, Greg

Subject:

Info memo to Taylor on Enron

FYI We've prepared an info memo to U/S Taylor on the Dabhol issue. DAS Radelet is currently reviewing. If you have any clarifications, please let me know. Thanks.

<< File: (07-12-01) Enron-OPIC info memo - final.doc >>

PS Greg - these are the final talking points which were delivered to Post on Friday.

From:

Christopulos, Greg

Sent: To: Tuesday, June 26, 2001 9:51 AM Rao, Geetha; Sampliner, Gary

Cc:

Grewe, Maureen

Subject:

RE: Clearance on Enron TPs

----Original Message-----

Your TPs are ok, but I added a point under OPIC [(b)(5)]

Sent:

Monday, June 25, 2001 6:31 PM Sampliner, Gary, Christopulos, Grey

To:

Sampliner, Gary; Christopulos, Greg Grewe, Maureen

Cc: Subject: Grewe, Maureen Gearance on Enron TPs

Importance: High

Gary/Chris:

Sec. ONeill will be meeting with Brajesh Mishra (Indian National Security Advisor) this friday to discuss, among other issues, Enron. As disuessed at the NSC meeting last week, here are the talking points for the Enron disuession that are being sent to all (most?) USG officials who are meeting with Mishra. <u>Please</u> comment asap and I can forward any concerns you have to NSC. thanks.

From:

Donovan, Meg

Sent:

Thursday, July 12, 2001 1:54 PM

To:

Rao, Geetha

Subject:

FW: Dabhol meeting on Enron/OPIC project at NSC

Importance:

High

I couldn't resist. What's the deal with State's ability to spell korektli?

[(b)(5)]

Eskuz the rant! and pleez uze the deeleet ki.

-----Original Message-

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 11:01 AM

To:

Rao, Geetha; Berg, Katie; Silis, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Importance:

Attached are the talking points that State sent over this morning. Please review and send back any comments by 1:30 pm. TODAY. We need to submit a joint set of TPs today. [(b)(5)]

any other suggestions?



#### ----Original Message-

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 4:13 PM

To:

Berg, Katie; Sills, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Katie, [(b)(5)]

We'll go ahead and send

forward the points to State to push for a joint agreement on talking points... Thanks to all.

----Original Message-----

From: Berg, Katie

Sent:

Wednesday, July 11, 2001 4:09 PM

To:

Sills, Gay; Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject: RE: Dabhol meeting on Enron/OPIC project at NSC

I must admit to never having heard of this problem. Geetha's revised talking points look good to me, but I would

suggest that OPIC clear with ExIm in addition to State and Treasury if ExIm is involved.

----Original Message----

From:

Sills, Gay

Sent:

Wednesday, July 11, 2001 3:54 PM

To: Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc: Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve; Berg, Katle

Subject:

[(b)(5)]

RE: Dabhol meeting on Enrory/OPIC project at NSC

credits, and eximbank

am adding katie berg, she does export

----Original Message-

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 1:54 PM

To: Cct

Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Importance:

High

[(b)(5)]

The Charge from the US

Embassy will most likely deliver the points to the GOI. Please comment asap. Thanks.

<< File: EmbtalkY1.doc >>

----Original Message----

From:

Grewe, Maureen

Sent:

Wednesday, July 11, 2001 12:52 PM

Tot

Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary; Rao, Geetha

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

Dabhol meeting on Enron/OPIC project at NSC

Importance:

This is a readout of the meeting at NSC this morning. There is also an ACTION request, USG agencies are requested to get back to NSC by cob tomorrow with comments on OPIC's suggested talking points for a demarche to the GOI by the Charge in Delhi. I talked to the State reps after the meeting (from South Asia bureau, Investment office and Larson's office) and they seem to be basically in the same place as I was on what an appropriate message might be. My proposed plan is that Geetha will take a first crack at comments on the talking points and circulate them within Treasury as early as possible this afternoon. Lam requesting that everyone provide comments by cob today, so that we can circulate our comments to State and try to come up with joint suggested points to submit. to NSC by cob tomorrow. Please let me know if you have any concerns about this plan.

Readout of meeting:

Attendees: NSC, State (EB front office and investment office, South Asia Bureau), Treasury (Grewe, Rao, Sampliner), Commerce, OPIC (President Peter Watson, GC Ron Jonkers and several others)



Geetha will circulate revised points today. Please comment as quickly as you can and by cob today if possible, so we can try to coordinate with State. Call me or Geetha if you have any questions or need other background.

Thanks.

From:

Grewe, Maureen

Sent:

Monday, July 09, 2001 9:47 AM

To: Subject: Rao, Geetha RE: Enron Meeting

I definitely think you should attend. Larry may go as well. I probably will not.

----Original Message----From: Rao, Geetha

Sent: Monday, July 09, 2001 9:42 AM

To: Grewe, Maureen

Subject: RE: Enron Meeting

I would like to attend, if possible. thanks, geetha

DoB - Jan 9, 1973 SSN - 164543256

---Original Message----From: Grewe, Maureen

Sent: Monday, July 09, 2001 8:51 AM

To: McDonald, Larry; Rao, Geetha; Christopulos, Greg; Sampliner, Gary

Subject: FW: Enron Meeting

FYI - new meeting on Enron. Please let me know who wants to go.

Gary, Greg -- the O'Neill meeting with Mishra ended up being cancelled because Scheduling and the Embassy could not find a mutually convenient time.

Please send me dobs and ssns for those who want to attend, thanks.

----Original Message----

From: Harry K. Thomas@nsc.eop.gov [mailto:Harry K. Thomas@nsc.eop.gov]

Sent: Friday, July 06, 2001 5:44 PM To: maureen.grewe@do.treas.gov

Subject: Enron Meeting

Maureen: We are inviting you to attend an interagency meeting intended to craft a unified government policy re Enron.

Meeting is Wed. July 11 at 1030 in Room 473. If you wish to bring someone

else, pls. do. As always, we will need the DPOB and SS#s for attendees.

Have a good weekend.

From:

Grewe, Maureen

Sent:

Thursday, June 21, 2001 3:01 PM

To:

Toloui, Ramin; Donovan, Meg; Brown, Judawn

Cc:

Rao, Geetha

Subject:

India meeting for Secretary

Importance:

High

I wanted to let you know that yesterday during the Secretary's meeting with Amb.-designate to India Robert Blackwill, Blackwill suggested that the Secretary meet with Brajesh Mishra from the Prime Minister's office next week when he is in Washington. The Secretary agreed it was a good idea. I was at a meeting this morning on the Enron dispute in India and one of the NSC staffers noted that Mishra was going to meet with Secretary O'Neill among others. I asked whether NSC had been in touch with Treasury on the meeting and they said no.

You may want to check with Scheduling and have them confirm with Tim Adams (who was at the Blackwill meeting) that the Secretary does want to have the meeting. If so, Scheduling can contact Harry Thomas at NSC, 456-9251. Harry is coordinating Mishra's USG schedule. Mishra will be in town the afternoon of June 27, as well as June 28 and 29.

Please let us know if a meeting is definitely set, so we can prepare a briefing. Thanks.

From:

Grewe, Maureen

Sent:

Thursday, May 24, 2001 9:33 AM

To:

Radelet, Steve; Mills, Marshall; Rao, Geetha

Subject:

RE: Enron/India

We heard from them on the trip that they are proceeding with the legal route for termination, though using the six month window that provides to continue negotiations with the GOI. There was a meeting set up with Enron/GOI including a central gov't representative sometime late this week.

----Original Message-----

From:

Radelet, Steve

Sent:

Monday, May 21, 2001 3:06 PM

To:

Grewe, Maureen; Mills, Marshall; Rao, Geetha

Subject:

Enron/India

#### FYI .....

ENRON TO QUIT INDIAN POWER PROJECT OVER UNPAID BILLS. The US power company Enron is set to withdraw from India after a row over unpaid bills that has overshadowed the country's biggest single foreign direct investment, the Financial Times reports (p.12). The Houston-based company has issued a "preliminary termination notice" to its Bombay client, the Maharashtra State Electricity Board (MSEB), ending an acrimonious eight-year relationship.

Enron's \$2.9 billion power project near Bombay was a symbol of India's economic reforms but critics, including the World Bank, said its tariffs were excessive and the company was portrayed as a profiteering multinational. Enron's announcement at the weekend concludes a disappointing chapter in the history of India's power sector, which lies at the heart of attempts to improve growth and ease poverty, the story notes.

Enron's tariff is typically three times higher than that of other independent power producers because of the high cost of naphtha and a depreciation of the rupee against the dollar. Enron employs 11,000 people in India, the FT adds.

From: Gunaratne, Nilmini

Friday, May 04, 2001 12:26 PM Sent:

To: Grewe, Maureen Cc: Rao, Geetha

RE: ACTION (due FRIDAY): FY2002 International Affairs Appropriations Briefing Book Subject:



0601testimonysA-ng d

Nothing substantive - just a couple of typos in the India Glen Amendment section noted in the attached.

-----Original Message-

From: Grewe, Maureen

Sent: Friday, May 04, 2001 12:18 PM

Katz, Nancy; Stewart, Elizabeth K.; Joy, David; Munk, Russell; Stedman, Louellen; Setser, Brad; Baker, Jeffrey; Gunaratne, Nilmini; To:

Christopulos, Greg; Sampliner, Gary

FW: ACTION (due FRIDAY): FY2002 International Affairs Appropriations Briefing Book Subject:

Importance: High

<< File: 0501testimonyq&A.doc >>

Attached please find ISM's submission for the Secretary's testimonies for clearance. I still need to run them by Steve, so please clear by 2:30pm. Sorry for short turnaround. Marshall had already sent Turkey ones around earlier today, only change since then was formatting. Some of the others have also been circulated earlier for clearance for the ADB meetings.

Topics in order for ease of review are:

India - Enron Dispute

Iran - World Bank Lending

India and Pakistan - Glenn Amendment Sanctions

Turkey - Rationale for Exceptional Financing

Turkey - Multilateral vs. Bilateral Financing

Turkey - Prospects

Turkey - "Bail Out"

Thanks for your help.

---- Original Message----

From:

Toloui, Ramin

Wednesday, May 02, 2001 10:55 PM Sent: To:

Coffman, Phyllis; Engelhard, Joe; Estep, Tammy; Fall, James; Harris, Rosemary; Kimack, Michael; Lee, Nancy; Lemay, Joanne; Munk, Russell; Radelet, Steve; Schuerch, William; Sobel, Mark; Thome, Judith; Wooten, Linda; Baukol, Andrew; Berg, Katle; Berger, Gregory; Chaves, Mary; Conley, Robert; Crowe, Brian; Donovan, Stephen; Dulaney, Tim; Gelpern, Anna; Grewe, Maureen; Haarsager, Mathew; Harlow, Robert; Herrling, Shella; Jaakson, Juhan; Jaskowiak, Mark; Johnston, Richard; Loevinger, David; Ludden, Ken; Mathiasen, Karen; McCoy, Christopher; McDonald, Larry; Mills, Marshall; Monroe, Wilbur; Murden, Bill; Paulson, Sara; Ralyea, John; Schall, Bill; Setser, Brad; Shah, Sonal; Sills, Gay; Smith, Ged; Stedman, Louellen;

Steve Backes; Toloui, Ramin; Tvardek, Steve; Wallace, James; Walsh, Helen; Warthin, Whit

Cc: Donovan, Meg; Brown, Judawn; Duncan, John; Keeler, Tim

ACTION (due FRIDAY): FY2002 International Affairs Appropriations Briefing Book Subject:

Secretary O'Neill is scheduled to testify in two different-but-related sets of hearings this month:

- on IFI reform before the Senate Foreign Relations Committee (May 8) and the House Financial Services Committee (tentatively the week of May 21), and
- (2) on the FY2002 international affairs budget request before House Foreign Operations (May 15) and Senate Foreign Operations (May 17).

1

Preparations for the first of these (IFI reform) are already well underway. Since the Secretary and U/S-designate Taylor will be away for most of next week for the Asian Development Bank meetings, we will need to have a briefing book ready for the second (Appropriations) before the delegation leaves on Tuesday. The Appropriations briefing book will include not only Qs/As on the programs for which Treasury is requesting funding in FY2002 (i.e., multilateral development banks, debt reduction and technical assistance programs), but also a full range of OASIA-related topics that may come up in the course of the hearings.

In other words, this is open season for questions about international issues in which Treasury has a role, and we will depend upon input from all offices to prepare for the hearings. To this end, please

- Review the attached document ("fy01\_topics"), which lists the topics for all the Qs/As prepared for last year's Appropriations testimony. Please add, delete, or update topics for this year's testimony as appropriate.
- Prepare brief Qs/As on these topics, drawing as much as possible on Qs/As already developed for the
  confirmation and IFI-reform hearings. These Qs/As need to be short. Ideal format: (1) Question; (2) Answer, with
  maximum of three points and each point of two lines maximum length; (3) Background, if needed.
- Send Qs/As (cleared by DASes and General Counsel) to Joan Kotze by COB on Friday, May 4th. If the Qs/As
  have not yet been fully cleared by that time, please send the draft Qs/As as a placeholder and forward the final,
  cleared versions no later than NOON on Monday, May 7th. Please be sure to include the name and phone
  number of the drafter in the bottom right-hand corner of each submission.

If you have any questions, please don't hesitate to contact me. Thank you for all of your efforts during this very busy period.

Ramin

<< File: fy01\_topics.doc >>

# India - Enron Dispute

[(b)(5)]

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

From:

Keidel, Albert

Sent:

Wednesday, August 08, 2001 3:18 PM

To:

Rao, Geetha

Subject:

RE: Transfer Pricing Issues in India - readout from USIBC meeting

## [(b)(5)]

----Original Message-

From:

Rao, Geetha

Sent:

Wednesday, August 08, 2001 3:14 PM

To:

Keidel, Albert

Subject:

RE: Transfer Pricing Issues in India - readout from USIBC meeting

## [(b)(5)]

--- Original Message----

From:

Keidel, Albert

Sent:

Wednesday, August 08, 2001 3:06 PM

To:

Rao, Geetha

Subject: RE: Transfer Pricing Issues in India - readout from USIBC meeting

# [(b)(5)]

----Original Message-----

Sent:

Wednesday, August 08, 2001 2:59 PM

To: Keidel, Albert

Subject:

RE: Transfer Pricing Issues in India - readout from USIBC meeting

Thanks - any info you come across would be great. Also at some point, [(b)(5)]

## Thanks again, Geetha

----Original Message--

From:

Keidel, Albert

Sent:

Wednesday, August 08, 2001 2:57 PM

Tot

Rao, Geetha

Subject:

RE: Transfer Pricing Issues in India - readout from USIBC meeting

Hi Geetha.

These are good questions. [(b)(5)]

I will

see what I can learn from lawyer or investment banker friends.

Thanks for forwarding this.

Bert

-----Original Message--

From:

Rao, Geetha

Sent:

Wednesday, August 08, 2001 2:51 PM

To:

Keidel, Albert

Subject:

FW: Transfer Pricing Issues in India - readout from USIBC meeting

Importance:

High

hi - I wanted to flag this issue for you to see if you've dealt with transfer pricing issues in China. This question (see below) was posed a meeting on this issue yesterday at an US-India business council meeting. thanks. Geetha

---- Original Message-----

From:

Rao, Geetha

Sent: To: Wednesday, August 08, 2001 1:34 PM McDonald, Larry; Brown, Patricia A.

Cc:

Mills, Marshall

Subject:

Transfer Pricing Issues in India - readout from USIBC meeting

Importance: High

USIBC meeting - Tuesday August 8

The GOI is amending the Income Tax Law to deal with income computation from international transactions between associated enterprises. The USIBC meeting yesterday discussed some of the weaknesses/problems of the current legislation and requested further discussion (with Treasury involvement). DoC, State, Deloitte Touche, PWC, Arthur Anderson, KPMG, and Thelen, Ried and Priest were present.

## Key issues

[(b)(5)]

USIBC may request that this issue be raised at the upcoming Oneill-Sinha meeting in November.

From:

Rao, Geetha

Sent:

Friday, July 20, 2001 10:44 AM

To:

Rao, Geetha; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Grewe, Maureen; Mills, Marshall; McDonald, Larry

Subject:

RE: Reschedule of Enron's meeting

We will be having this meeting on Monday July 23 at 10:30 in Room 3430. thanks.

----Original Message-----

From:

Rao, Geetha

Sent:

Wednesday, July 18, 2001 4:55 PM

To: Cc:

Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary Grewe, Maureen; Mills, Marshall; McDonald, Larry

Subject:

Reschedule of Enron's meeting

Can we aim to reschedule the Enron meeting either next monday at 10:30 am or Tuesday at 11:00 am? Please indicate preference. Thanks.

----Original Message----

From: Rao, Geetha

Sent:

Monday, July 16, 2001 4:27 PM

To:

Sampliner, Gary; Grewe, Maureen; Christopulos, Greg; Resnick, Bonnie; Silis, Gay

Cc:

McDonald, Larry

Subject: Enron Meeting this Wednesday

High

Importance:

John Hardy, Enron (DC office), requested a meeting with Treasury to bring us up-to-date on the Enron's project in

This meeting will take place on Wednesday July 18 at 3 pm in Room 3430 MT.

Please let me know if you plan to attend.

Thanks, geetha

From:

Rao, Geetha

Sent:

Wednesday, July 18, 2001 3:49 PM

To:

SSAPPT

Cc:

Grewe, Maureen; Wagoner, Theresa; Tester, Priscilla; Donovan, Meg; Toloui, Ramin; Foote,

Norman; Rao, Geetha

Subject:

FW: clearance requested

Importance:

High

I would like to bring to your attention that this clearance information was sent down 24 hours in advance of the meeting that was supposed to take place at 3:00 TODAY. However upon his arrival, Mr. Hardy found that he was not cleared into the building. After failing to reach over the phone the people he was supposed to meet with(We were waiting in Room 3430 for him), he turned around and left, unable to attend the meeting that he requested.

Please make every effort in the future to ensure that this does not happen again for it reflects very badly on Treasury.

----Original Message-----

From:

Rao, Geetha

Sent:

Tuesday, July 17, 2001 1:38 PM

To:

SSAPPT

Subjects

dearance requested

Please clear John Hardy, Enron into Treasury at 3 pm on Wednesday July 18.

Name: John Hardy Jr SSN: 221 32 7203 DoB: 12/13/49

He will be attending a meeting in Room 3430 MT (Please indicate to him the location of the meeting).

Thanks, Geetha

From:

Rao, Geetha

Sent:

Wednesday, July 18, 2001 9:32 AM

Tot

Rao, Geetha; Grewe, Maureen; Sampliner, Gary; McDonald, Larry; Christopulos, Greg

Cc:

Mills, Marshall; Sills, Gay; Resnick, Bonnie

Subject:

RE: TALKING POINTS FOR US EMBASSY-INDIA

Importance:

High



Attached are the final points for the OPIC/Enron demarche to the GOI ... please send any comments you have to me by NOON TODAY, and I will get back to Laurent. Thanks.

---Original Message----

From: Laurent D. Charbonnet@nsc.eop.gov [mailto:Laurent D. Charbonnet@nsc.eop.gov]

Sent: Tuesday, July 17, 2001 4:59 PM

To: jaldo@opic.gov; pwatson@opic.gov; Farah\_Naim@ita.doc.gov;

Maureen.grewe@do.treas.gov; CampDA2@state.gov; bryan elena@ustr.gov.treas.gov; SpeckJG@state.gov; Greg.christopulos@do.treas.gov; usreygs@state.gov

Cc: Harry K. Thomas@nsc.eop.gov

Subject: NSC revision of Dabhol points for demarche

(See attached file: TP - Dabhol rev2 nsc.doc)

Folks, please take a look at the attached draft talking points. I believe that we have addressed everybody's concerns. Please also ensure that all relevant people within your agency get a copy of this -- not sure whether addressees above capture everybody. If there are major issues remaining, call me at 456-9247 or email, by 3 pm Wednesday (7/18). Please, only one representation per agency, so coordinate internally first.

Let's consider this closed by COB tomorrow. I'll coordinate with State, who'll send the demarche cable.

Thanks, everybody. Laurent

# TALKING POINTS FOR US EMBASSY- INDIA

Re: Meeting with Ministries of Finance and Power and Dabhol Lenders' Steering Committee

[Follow-up to meeting between Principal Secretary and National Security Advisor Mishra and OPIC President Watson in Washington]

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 6:05 PM

To:

'Speck, Janet G'; Rao, Geetha; Usrey, Gary S; Gadzinski, Peter S; Shub, Adam M(E); Walker, M

Karen: 'brooks, jo'

Cer

Scholz, Wesley S; Delare, Thomas L; Bay, Janice F; Grewe, Maureen

Subject:

RE: TALKING POINTS FOR US EMBASSY-INDIA



Janet:

We have cleared the final set of talking points (with a minor addition in the final section). When you send over, please convey as Joint State-Treasury suggested points on the Enron issue. Thanks.

----Original Message----

From: Speck, Janet G [mailto:SpeckJG@state.gov]

Sent: Thursday, July 12, 2001 5:20 PM

To: 'Rao, Geetha'; Usrey, Gary S; Gadzinski, Peter S; Shub, Adam M(E);

Walker, M Karen; 'brooks, jo'

Cc: Scholz, Wesley S; Delare, Thomas L; Bay, Janice F Subject: TALKING POINTS FOR US EMBASSY-INDIA

Attached are talking points for the Embassy to deliver to the GOI re Dabhol. They have been revised as per Treasury's suggestions. Please let me know asap if you have further comments so that we can forward them to the NSC tonight. Thanks.

< < TP - Dabhol rev.doc > >

# TALKING POINTS FOR US EMBASSY- INDIA

Re: Meeting with Ministries of Finance and Power and Dabhol Lenders' Steering Committee

[Follow-up to meeting between Principal Secretary and National Security Advisor Mishra and OPIC President Watson in Washington]

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 11:01 AM

To:

Rao, Geetha; Berg, Katie; Sills, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg;

Sampliner, Gary

Cer

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Importance:

High

Attached are the talking points that State sent over this morning. Please review and send back any comments by 1:30 pm. TODAY. We need to submit a joint set of TPs today. [(b)(5)]

any other suggestions?



EmbrackY1 State doc

----Original Message-

From: Sent:

Rao, Geetha

Wednesday, July 11, 2001 4:13 PM

To:

Berg, Katie; Sills, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Katie, EXIM should be on board with OPIC's points but we'll mentioned it just in case. We'll go ahead and send forward the points to State to push for a joint agreement on talking points... Thanks to all.

----Original Message-----

From:

Berg, Katie

Wednesday, July 11, 2001 4:09 PM Sent:

To:

Sils, Gay; Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject: RE: Dabhol meeting on Enron/OPIC project at NSC

I must admit to never having heard of this problem. Geetha's revised talking points look good to me, but I would suggest that OPIC clear with ExIm in addition to State and Treasury if ExIm is involved.

----Original Message----

From:

Sent:

Wednesday, July 11, 2001 3:54 PM

To: Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc: Donovan, Meg; Mils, Marshall; McDonald, Larry; Radelet, Steve; Berg, Katle

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

[(b)(5)] and eximbank

am adding katie berg, she does export

----Original Message-----

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 1:54 PM

To:

Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Importance:

High

Attached are the revisions to the OPIC talking points that OPIC sent over late yesterday. [(b)(5)]

The Charge from the US

Embassy will most likely deliver the points to the GOI. Please comment asap. Thanks.

<< File: EmbtalkY1.doc >>

----Original Message-----

From:

Grewe, Maureen

Sent:

Wednesday, July 11, 2001 12:52 PM

To:

Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary; Rao, Geetha

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

Dabhol meeting on Enron/OPIC project at NSC

Importance: Hig

This is a readout of the meeting at NSC this morning. There is also an ACTION request. USG agencies are requested to get back to NSC by cob tomorrow with comments on OPIC's suggested talking points for a demarche to the GOI by the Charge in Delhi. I talked to the State reps after the meeting (from South Asia bureau, Investment office and Larson's office) and they seem to be basically in the same place as I was on what an appropriate message might be. My proposed plan is that Geetha will take a first crack at comments on the talking points and circulate them within Treasury as early as possible this afternoon. Lam requesting that everyone provide comments by cob today, so that we can circulate our comments to State and try to come up with joint suggested points to submit to NSC by cob tomorrow. Please let me know if you have any concerns about this plan.

Readout of meeting:

Attendees: NSC, State (EB front office and investment office, South Asia Bureau), Treasury (Grewe, Rao, Sampliner), Commerce, OPIC (President Peter Watson, GC Ron Jonkers and several others)

[(b)(5)]

Geetha will circulate revised points today. Please comment as quickly as you can and by cob today if possible, so we can try to coordinate with State. Call me or Geetha if you have any questions or need other background.

Thanks.

From:

Sampliner, Gary

Sent:

sure?

Tuesday, July 24, 2001 9:59 AM Rao, Geetha; Christopulos, Greg RE: Info memo to Taylor on Enron

To: Subject:

I'd be willing to bet that the June 21 description is the correct one, but why don't you call one of the OPIC people to make

----Original Message---

From:

Rao, Geetha

Sent:

Tuesday, July 24, 2001 9:57 AM Sampliner, Gary; Christopulos, Greg

To: Subject:

RE: Info memo to Taylor on Enron

I took the information from OPIC's background information (July 10, 2001) that was prepared along with their talking points that was sent in advance of the NSC meeting on July 11. [(b)(5)]

----Original Message--

From: Sampliner, Gary

Sent: Monday, July 23, 2001 6:35 PM
To: Christopulos, Greg; Rao, Geetha
Subject: RE: Info memo to Taylor on Enron

I looked back to the sheet, and it says \$143m in loan guaranties.

---- Original Message-----

From:

Christopulos, Greg

Sent:

Monday, July 23, 2001 6:28 PM

To: Sampliner, Gary; Rao, Geetha

Subject:

RE: Info memo to Taylor on Enron

The correct numbers are in the handout OPIC distributed at the NSC meeting. Geetha, is that where you got the numbers?

---- Original Message----

From:

Sampliner, Gary

Sent:

Monday, July 23, 2001 6:22 PM Rao, Geetha; Christopulos, Greg

To: Subject:

RE: Info memo to Taylor on Enron

[(b)(5)]

- no other comments.

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

From:

Rao, Geetha

Sent:

Monday, July 23, 2001 5:11 PM Sampliner, Gary; Christopulos, Greg

To: Subject:

Info memo to Taylor on Enron

FYI We've prepared an info memo to U/S Taylor on the Dabhol issue. DAS Radelet is currently reviewing. If you have any clarifications, please let me know. Thanks.

<< File: (07-12-01) Enron-OPIC info memo - final.doc >>

PS Greg - these are the final talking points which were delivered to Post on Friday.

From:

Sampliner, Gary

Sent:

Wednesday, July 18, 2001 12:08 PM

To:

Rao, Geetha

Subject:

RE: TALKING POINTS FOR US EMBASSY-INDIA

# [(b)(5)]

Are we still on with Enron people at 3?

----Original Message----

From: Rao, Geetha

Sent: Wednesday, July 18, 2001 9:32 AM

To: Rao, Geetha; Grewe, Maureen; Sampliner, Gary; McDonald, Larry;

Christopulos, Greg

Cc: Mills, Marshall; Sills, Gay; Resnick, Bonnie

Subject: RE: TALKING POINTS FOR US EMBASSY- INDIA

Importance: High

Attached are the final points for the OPIC/Enron demarche to the GOI ... please send any comments you have to me by NOON TODAY, and I will get back to Laurent. Thanks.

# ----Original Message----

From: Laurent\_D,\_Charbonnet@nsc.eop.gov [mailto:Laurent\_D. Charbonnet@nsc.eop.gov]

Sent: Tuesday, July 17, 2001 4:59 PM

To: jaldo@opic.gov; pwatson@opic.gov; Farah Naim@ita.doc.gov;

Maureen.grewe@do.treas.gov; CampDA2@state.gov; bryan\_elena@ustr.gov.treas.gov; SpeckJG@state.gov; Greg.christopulos@do.treas.gov; usreygs@state.gov

Cc: Harry K. Thomas@nsc.eop.gov

Subject: NSC revision of Dabhol points for demarche

(See attached file: TP - Dabhol rev2 nsc.doc)

Folks, please take a look at the attached draft talking points. I believe that we have addressed everybody's concerns. Please also ensure that all relevant people within your agency get a copy of this – not sure whether addressees above capture everybody. If there are major issues remaining, call me at 456-9247 or email, by 3 pm Wednesday (7/18). Please, only one representation per agency, so coordinate internally first.

Let's consider this closed by COB tomorrow. I'll coordinate with State, who'll send the demarche cable.

From:

Sampliner, Gary

Sent:

Wednesday, July 11, 2001 2:38 PM

To:

Rao, Geetha; Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

# [(b)(5)]

----Original Message--From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 1:54 PM

To:

Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc: Subject:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve RE: Dabhol meeting on Enron/OPIC project at NSC

Importance: High

Attached are the revisions to the OPIC talking points that OPIC sent over late yesterday. [(b)(5)]

The Charge from the US Embassy will most likely deliver the points to

the GOI. Please comment asap. Thanks.

<< File: EmbtalkY1.doc >>

# ---- Original Message-

From:

Grewe, Maureen

Wednesday, July 11, 2001 12:52 PM Sent:

To:

Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary; Rao, Geetha

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve Cc:

Subject: Dabhol meeting on Enron/OPIC project at NSC

Importance:

This is a readout of the meeting at NSC this morning. There is also an ACTION request, USG agencies are

requested to get back to NSC by cob tomorrow with comments on OPIC's suggested talking points for a demarche to the GOI by the Charge in Delhi. I talked to the State reps after the meeting (from South Asia bureau, Investment office and Larson's office) and they seem to be basically in the same place as I was on what an appropriate message might be. My proposed plan is that Geetha will take a first crack at comments on the talking points and circulate them within Treasury as early as possible this afternoon. Lam requesting that everyone. provide comments by cob today, so that we can circulate our comments to State and try to come up with joint. suggested points to submit to NSC by cob tomorrow. Please let me know if you have any concerns about this plan.

Readout of meeting:

Attendees: NSC, State (EB front office and investment office, South Asia Bureau), Treasury (Grewe, Rao, Sampliner), Commerce, OPIC (President Peter Watson, GC Ron Jonkers and several others)

(b)(5)]	
Geetha will circulate revised points today. Please comment as quickly as we can try to coordinate with State. Call me or Geetha if you have any qu	you can and by cob today if possible, so estions or need other background.
Thanks.	

Frome

Sills, Gay

Sent:

Thursday, July 12, 2001 5:41 PM

To:

Rao, Geetha; Berg, Katie; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Ce:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

#### OK WITH ME

----Original Message-----

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 5:39 PM

To:

Sills, Gay; Berg, Katie; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject: RE: Dabhol meeting on Enron/OPIC project at NSC Importance: High

We have a final set of talking points for both Treasury and State to send over to NSC by COB today ..... please comment by 6 pm today if you have any concerns.... it is line with what we had suggested. We've also posed some questions to OPIC. Thanks! and sorry for the short deadline!

----Original Message-----

From: Speck, Janet G [mailto:SpeckJGSstate.gov]

Sent: Thursday, July 12, 2001 5:20 PM

To: 'Rao, Geetha'; Usrey, Gary S; Gadzinski, Peter S; Shub, Adam M(E);

Walker, M Karen; 'brooks, jo'

Cc: Scholz, Wesley S; Delare, Thomas L; Bay, Janice F

Subject: TALKING POINTS FOR US EMBASSY- INDIA

Attached are talking points for the Embassy to deliver to the GOI re Dabhol, They have been revised as per Treasury's suggestions. Please let me know asap if you have further comments so that we can forward them to the NSC tonight. Thanks.

<< File: EmbtalkY1 Dabhol rev.doc >>

----Original Message-----

From: Sills, Gay

Sent: Thursday, July 12, 2001 3:18 PM

To:

Rao, Geetha; Berg, Katie; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve Cer

Subject: RE: Dabhol meeting on Enron/OPIC project at NSC

# [(b)(5)]

----Original Message---

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 11:01 AM

To: Rao, Geetha; Berg, Katie; Silis, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc: Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve RE: Dabhol meeting on Enron/OPIC project at NSC Subject:

Importance:

Attached are the talking points that State sent over this morning. Please review and send back any comments by 1:30 pm TODAY. We need to submit a joint set of TPs today. [(b)(5)]

any other

suggestions?

1

## << File: EmbtalkY1 State.doc >>

----Original Message----

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 4:13 PM

To:

Berg, Katie; Sills, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Katie, [(b)(5)] We'll go ahead and send forward the points to State to push for a joint agreement on talking points... Thanks to all.

·····Original Message·····

From:

Berg, Katie

Sent:

Wednesday, July 11, 2001 4:09 PM

To:

Sills, Gay; Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

I must admit to never having heard of this problem. Geetha's revised talking points look good to me, but I would suggest that OPIC clear with ExIm in addition to State and Treasury if ExIm is involved.

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

From:

Sills, Gay

Sent:

Wednesday, July 11, 2001 3:54 PM

To:

Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve; Berg, Katie

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

[(b)(5)] export credits, and eximbank am adding katie berg, she does

----Original Message----

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 1:54 PM

To:

Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject: Importance:

RE: Dabhol meeting on Enron/OPIC project at NSC

[(b)(5)]

The Charge from the US Embassy will most likely deliver the points to the GOI. Please comment asap. Thanks.

<< File: EmbtalkY1.doc >>

----Original Message----

From:

Grewe, Maureen

Sent:

Wednesday, July 11, 2001 12:52 PM

To:

Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary; Rao, Geetha Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Cc: Subject:

Dabhol meeting on Enron/OPIC project at NSC

Importance:

This is a readout of the meeting at NSC this morning. There is also an ACTION request. USG agencies are requested to get back to NSC by cob tomorrow with comments on OPIC's suggested talking points for a demarche to the GOI by the Charge in Delhi. I talked to the State reps after the meeting (from South Asia bureau, Investment office and

Larson's office) and they seem to be basically in the same place as I was on what an appropriate message might be. My proposed plan is that Geetha will take a first crack at comments on the talking points and circulate them within Treasury as early as possible this afternoon. I am requesting that everyone provide comments by cob today, so that we can circulate our comments to State and try to come up with joint suggested points to submit to NSC by cob tomorrow. Please let me know if you have any concerns about this plan.

Readout of meeting:

Attendees: NSC, State (EB front office and investment office, South Asia Bureau), Treasury (Grewe, Rao, Sampliner), Commerce, OPIC (President Peter Watson, GC Ron Jonkers and several others)

Geetha will circulate revised points today. Please comment as quickly as you can and by cob today if possible, so we can try to coordinate with State. Call me or Geetha if you have any questions or need other background.

Thanks.

From:

Sills, Gay

Sent:

Thursday, July 12, 2001 3:44 PM

To: Cc:

Rao, Geetha Donovan, Meg

Subject:

FW: Dabhol meeting on Enron/OPIC project at NSC

·····Original Message

From:

Donovan, Meg.

Sent:

Thursday, July 12, 2001 3:21 PM

To:

Sills, Gay

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

[Sills, Gay] fine with me. fdi is good for india and not paying will dampen foreign investors interest in india.

just a question -- [(b)(5)]

----Original Message-----

From:

Sills, Gay

Sent:

Thursday, July 12, 2001 3:18 PM

To:

Rao, Geetha; Berg, Katie; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

[(b)(5)]

----Original Message-

From: Rao, Geetha

Sents

Thursday, July 12, 2001 11:01 AM

To: Cc:

Rao, Geetha; Berg, Katie; Sills, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject: RE: Dabhol meeting on Enron/OPIC project at NSC

Importance:

High

Attached are the talking points that State sent over this morning. Please review and send back any comments by 1:30 pm TODAY. We need to submit a joint set of TPs today. [(b)(5)]

any other

suggestions?

<< File: EmbtalkY1 State.doc >>

----Original Message----

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 4:13 PM

To: Berg, Katie; Sills, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc: Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Katie,[(b)(5)]

We'll go ahead and

send forward the points to State to push for a joint agreement on talking points... Thanks to all.

--- Original Message----

From:

Berg, Katie

Sent: To:

Wednesday, July 11, 2001 4:09 PM

Sils, Gay; Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

1

Cct Subject: Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

RE: Dabhol meeting on Enron/OPIC project at NSC

I must admit to never having heard of this problem. Geetha's revised talking points look good to me, but I would suggest that OPIC clear with ExIm in addition to State and Treasury if ExIm is involved.

----Original Message-

From:

Sills, Gay

Sent:

Wednesday, July 11, 2001 3:54 PM

To:

Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve; Berg, Katie

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

[(b)(5)] export credits, and eximbank

am adding katie berg, she does

----Original Message----

From:

Rao, Geetha

Sent: To:

Wednesday, July 11, 2001 1:54 PM

Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Importance: High

Attached are the revisions to the OPIC talking points that OPIC sent over late yesterday. [(b)(5)]

The

Charge from the US Embassy will most likely deliver the points to the GOI. Please comment asap. Thanks.

<< File: EmbtalkY1.doc >>

----Original Message-----

From:

Grewe, Maureen

Sent:

Wednesday, July 11, 2001 12:52 PM

To:

Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary; Rao, Geetha

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve Dabhol meeting on Enron/OPIC project at NSC

Subject: Importance:

High

This is a readout of the meeting at NSC this morning. There is also an ACTION request. USG agencies are requested to get back to NSC by cob tomorrow with comments on OPIC's suggested talking points for a demarche to the GOI by the Charge in Delhi. I talked to the State reps after the meeting (from South Asia bureau, Investment office and Larson's office) and they seem to be basically in the same place as I was on what an appropriate message might be. My proposed plan is that Geetha will take a first crack at comments on the talking points and circulate them within Treasury as early as possible this afternoon. Lam requesting that everyone provide comments by cob today, so that we can circulate our comments to State and try to come up with joint suggested points to submit to NSC by cob tomorrow... Please let me know if you have any concerns about this plan.

Readout of meeting:

Attendees: NSC, State (EB front office and investment office, South Asia Bureau), Treasury (Grewe, Rao, Sampliner), Commerce, OPIC (President Peter Watson, GC Ron Jonkers and several others)



Geetha will circulate revised points today. Please comment as quickly as you can and by cob today if possible, so we can try to coordinate with State. Call me or Geetha if you have any questions or need other background.

Thanks.

From:

Grewe, Maureen

Sent:

Wednesday, May 02, 2001 11:12 AM

To:

Rao, Geetha

Subject:

RE: Clearance on Q&A

Sanctions Q&A is fine with me, as long as State cleared, could you run it by David Joy and Elizabeth Stewart though?

I had sent everyone an email with some suggestions on what Q&As we should have, but I can't find it now. Could you resend back to me if you have it?

----Original Message-----From:

Rao, Geetha

Sent:

Wednesday, May 02, 2001 11:03 AM

To:

Grewe, Maureen

Subject:

RE: Clearance on Q&A

I sent an em to Nancy K. last night - on the India's acces to AsDF and mentioned that we are working on a Glenn Amendment and Enron/India Q&A and that we would shoot this over to her today. We had a former Q&A on Glenn Amendments (for confirmation hearings). I passed that by State again and they cleared this mroning. This is attached for you to look at, << File: India-Pak sanctions.doc >> Do we have any other Q&A for her? Once ready I can go ahead and forward both to her.

----Original Message----

Sent:

From: Grewe, Maureen

Wednesday, May 02, 2001 10:58 AM

To:

Rao, Geetha

Subject: RE: Clearance on Q&A

this looks good. Thanks. When are Q&As due again?

----Original Message---

From:

Rao, Geetha

Sent:

Wednesday, May 02, 2001 9:57 AM

To: Sampliner, Gary; Christopulos, Greg

Cc: Grewe, Maureen

Subject:

RE: Clearance on Q&A

I suppose we can say something to that effect - included below.

[(b)(5)]

·····Original Message----

From:

Sampliner, Gary

Sent: To:

Wednesday, May 02, 2001 9:29 AM Christopulos, Greg; Rao, Geetha

Subject:

RE: Clearance on Q&A

# [(b)(5)]

----Original Message----

From: Christopulos, Greg

Wednesday, May 02, 2001 8:46 AM Sent Rao, Geetha; Sampliner, Gary To: Subject: RE: Clearance on Q&A

Perfect answer. I says everything.

----Original Message---

From: Sent:

Rao, Geetha Tuesday, May 01, 2001 7:37 PM

Christopulos, Greg To: Subject: Clearance on Q&A

Greg: We are working on Q&As for Oneill's press conference at the Asian Development Bank next week. Enron may come up - can you clear the following Q&A on this issue? Btw, Enron was discussed at our bilat last Friday (Oneill met with FinMin Sinha) where Sinha said that GOI will be directly involved in the negotiations between the State and Enron...... [(b)(5)]

[(b)(5)]

f you can respond back by Wednesday at 10 am - that would be greatly appreciated! thanks.

From:

Rao, Geetha

Sent: To:

Wednesday, May 02, 2001 9:57 AM Sampliner, Gary; Christopulos, Greg

Cc: Subject: Grewe, Maureen RE: Clearance on Q&A

I suppose we can say something to that effect - included below.

[(b)(5)]

----Original Message---

From:

Sampliner, Gary

Sent: To:

Wednesday, May 02, 2001 9:29 AM Christopulos, Greg; Rao, Geetha

Subject:

RE: Clearance on Q&A

[(b)(5)]

----Original Message----

From: Christopulos, Greg

Sent: Wednesday, May 02, 2001 8:46 AM Rao, Geetha; Sampliner, Gary To: Subject: RE: Clearance on Q&A

Perfect answer. I says everything.

----Original Message---

From:

Rao, Geetha

Sent:

Tuesday, May 01, 2001 7:37 PM

To: Christopulos, Greg

Clearance on Q&A

Greg: We are working on Q&As for Oneill's press conference at the Asian Development Bank next week. Enron may come up - can you clear the following Q&A on this issue? Btw, Enron was discussed at our bilat last Friday (Oneill met with FinMin Sinha) where Sinha said that GOI will be directly involved in the negotiations between the State and Enron..... [(b)(5)]

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f you can respond back by Wednesday at 10 am - that would be greatly appreciated! thanks.

# Q&A Asian Development Bank Meeting

[(b)(5)]

05/02 ISM/OASIA Cleared by Investment Office

From:

Rao, Geetha

Sent:

Wednesday, June 06, 2001 6:25 PM Toloui, Ramin; Donovan, Meg

To: Cc:

Grewe, Maureen; Mills, Marshall

Subject:

Enron Call to O'Neill

# Meg/Ramin:

I just noticed a cable from India stating that Enron Chief Ken Lay called O'Neill (as well as Rice/Powell) last Thursday night to discuss Enron's last minute strategies in attempting to resolve its power project disputes with the Maharashtra state government and the Indian government. [(b)(5)]

I am approaching you both as my first point of contact. Any information you can obtain and/or advise on how to proceed would be superb.

Thanks in advance.

Geetha

From:

Rao, Geetha

Sent:

Friday, June 08, 2001 12:39 PM

To:

Donovan, Meg: Grewe, Maureen; Toloui, Ramin

Ce:

Mills, Marshall

Subject:

RE: Enron Call to O'Neill

Ramin just called and said according to Tim Adams - PoN was in listening mode, he did not express any views nor did he commit to anything.

Tim did not stay for the entire phone call and also did not hear specifically Ken Lay's explanation of the Enron situation.

Thanks Ramin. If you hear anything more, please let us know.

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

From:

Donovan, Meg

Sent:

Friday, June 08, 2001 10:02 AM

To:

Grewe, Maureen; Toloui, Ramin; Rao, Geetha

Cct

Mills, Marshall

Subject:

RE: Enron Call to O'Neili

Tim Adams was going to stop by yesterday to speak with Ramin... I'll see what I can find out.

thanks Maureen.

----Original Message----

From: Grewe, Maureen

Sent:

Friday, June 08, 2001 9:50 AM Toloui, Ramin; Rao, Geetha

To: Cc:

Donovan, Meg; Mills, Marshall

Subject: RE: Enron Call to O'Neill

Any news on this?

----Original Message----

From:

Toloui, Ramin

Sent:

Thursday, June 07, 2001 9:07 AM

To: Rao, Geetha

Cc: Donovan, Meg; Grewe, Maureen; Mills, Marshall

Subject:

FW: Enron Call to O'Neill

Geetha -- Should have an answer later today. Please remind me if you haven't heard from me. Thanks, Ramin

----Original Message----

From:

Adams, Tim

Sent:

Thursday, June 07, 2001 7:02 AM

To: Toloui, Ramin

Subject:

RE: Enron Call to O'Neill

I'll follow up -- stop by later.

----Original Message----

From:

Toloui, Ramin

Sent:

Wednesday, June 06, 2001 9:08 PM

Tot Cct

Adams, Tim Donovan, Meg

Subject:

FW: Enron Call to O'Neill

Tim -- Do you know anything about this call that I could pass along to our India desk officer? Please let me know if I should follow up with someone else. Thanks, Ramin

----Original Message----

From:

Rao, Geetha

Sent: To: Cc: Wednesday, June 06, 2001 6:25 PM Toloul, Ramin; Donovan, Meg Grewe, Maureen; Mills, Marshall

Subject:

Erron Call to O'Neill

# Meg/Ramin:

I just noticed a cable from India stating that Enron Chief Ken Lay called O'Neill (as well as Rice/Powell) last Thursday night to discuss Enron's last minute strategies in attempting to resolve its power project disputes with the Maharashtra state government and the Indian government. [(b)(5)]

I am approaching you both as my first point of contact. Any information you can obtain and/or advise on how to proceed would be superb.

Thanks in advance.

Geetha

Tracking:

Recipient Read

Donovan, Meg Read: 06/08/2001 12:45 PM Grewe, Maureen Read: 06/08/2001 12:43 PM

Toloui, Ramin

Mills, Marshall Read: 06/08/2001 12:44 PM

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-31	ш	Б.	0.	16.0	001

WEEKLY ISSUES (ITI)

From:

Rao, Geetha

Sent:

Monday, June 18, 2001 9:19 AM

To:

Grewe, Maureen

Subject:

Enron and OPIC



Attached is Greg's section on Enron and OPIC -Tracking: Recipient

Tracking:

Grewe, Maureen

Read

Read: 06/18/2001 9:25 AM

From:

Rao, Geetha

Sent:

Monday, June 25, 2001 1:35 PM

To:

Grewe, Maureen

Subject:

RE: Talking points for Mishra

I just talked to him - After the Thursday meeting, Peter Watson from OPIC called to [(b)(5)]

----Original Message----

From:

Grewe, Maureen

Sent:

Monday, June 25, 2001 1:13 PM

To:

Rao, Geetha

Subject:

RE: Talking points for Mishra

not that I've seen. Please call Laurent Charbonnet at 456-9251 to ask him for them. Thanks.

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

From: Rao, Geetha

Sent: Monda

Monday, June 25, 2001 11:17 AM

To: Grewe, Maureen

Subject: Talking points for Mishra

Have we received the final set of talking points from Laurent to include inthe Mishra briefing?

Tracking:

Recipient

Read

Grewe, Mauroen

Read: 06/25/2001 1:40 PM

From:

Rao, Geetha

Sent: To:

Monday, June 25, 2001 6:31 PM Sampliner, Gary; Christopulos, Greg

Cc:

Grewe, Maureen

Subject:

Clearance on Enron TPs

Importance:

High

# Gary/Chris:

Sec. ONeill will be meeting with Brajesh Mishra (Indian National Security Advisor) this friday to discuss, among other issues, Enron. As disucssed at the NSC meeting last week, here are the talking points for the Enron disucssion that are being sent to all (most?) USG officials who are meeting with Mishra. Please comment asap and I can forward any concerns you have to NSC. thanks.

# [(b)(5)]

Tracking:

Recipient

Sampliner, Gary Christopulos, Greg

Grewe, Maureen

Read

Read: 06/25/2001 11:43 PM

Read: 06/26/2001 9:31 AM Read: 06/25/2001 6:32 PM

From:

Rao, Geetha

Sent:

Wednesday, June 27, 2001 10:55 AM

To: Subject: Donovan, Meg

t: Mishra meeting stuff

According to Maureen, the OPIC Summary was specifically prepared by OPIC last week for the last Thursday's NSC meeting on the interagency approach to raising the Enron (and WTO) issues with Mishra. The NSC Guidance was agreed to during that meeting and is being used by those USG agencies meeting with Mishra.

I prepared all other information - (Macro-overview and Selected Economic Indicators)

Fyi - I also have a confidential bio of Mishra to include in the final package to Oneill.

As for the talking points, I'm still waiting on reaction from Maureen (My own take would be to include this as a tab in the background).

Thanks!

Tracking:

Recipient

Donovan, Meg.

Read: 06/27/2001 10:55 AM

Read

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 9:38 AM

To:

Grewe, Maureen

Subject:

RE: TALKING POINTS FOR US EMBASSY- INDIA

Could you check the classfied system to see if there are any additional cables from Delhi on Enron (before the 10:30 mtg). As for clearing on these OPIC points, [(b)(5)]

etc

etc.... thanks!

----Original Message----From: Grewe, Maureen

Sent: Tuesday, July 10, 2001 5:16 PM

To: Rao, Geetha; Sampliner, Gary; McDonald, Larry; Christopulos, Greg

Subject: RE: TALKING POINTS FOR US EMBASSY- INDIA

I just printed it. Geetha -- can you arrange to get a copy to Gary?

---Original Message----

From: Rao, Geetha

Sent: Tuesday, July 10, 2001 5:11 PM

To: Grewe, Maureen; Sampliner, Gary; McDonald, Larry; Christopulos, Greg

Subject: RE: TALKING POINTS FOR US EMBASSY- INDIA

No I have not yet seen this cable - since Lay met with the Power Minister yesterday and with Sinha today, the cable must be out today. Can you pull off the classified system for me? thanks.

---Original Message----

From: Grewe, Maureen

Sent: Tuesday, July 10, 2001 5:05 PM

To: Rao, Geetha; Sampliner, Gary; McDonald, Larry; Christopulos, Greg

Subject: FW: TALKING POINTS FOR US EMBASSY- INDIA

FYI - I imagine this will be raised at tomorrow's meeting. Geetha - do you have the referenced cable?

----Original Message----

From: Harry K. Thomas@nsc.eop.gov [mailto:Harry\_K.\_Thomas@nsc.eop.gov]

Sent: Tuesday, July 10, 2001 5:04 PM

To: bryan elena@ustr.gov

Cc: maureen.grewe@do.treas.gov

Subject: TALKING POINTS FOR US EMBASSY- INDIA

Maureen/Elena: This is the paper that OPIC wants us to obtain interagency agreement on to have Embassy Delhi deliver as a demarche to the Indian government.

Also, pls. read New Delhi 5003, which is a read out of Ken Lay's meeting with the Indians. Cheers

-----Forwarded by Harry K. Thomas/NSC/EOP on 07/10/2001

05:02 PM -----

(Embedded

image moved "Jonkers, Ronald" < RJONK@opic.gov>

to file: 07/10/2001 04:33:57 PM

PIC27595.PCX)

Record Type: Record

To: Harry K. Thomas/NSC/EOP

Subject: TALKING POINTS FOR US EMBASSY- INDIA

Attached are the talking points we believe you are looking for in respect of Dabhol. They are focused on securing the the lender meeting with Ministries of Power and Finance. By separate e-mail follows the update promised. Ron < < EmbtalkY.doc > >

Tracking:

Recipient

Grewe, Maureen

Read

Read: 07/11/2001 9:52 AM

# TALKING POINTS FOR US EMBASSY- INDIA

Re: Meeting with Ministries of Finance and Power and Dabhol Lenders' Steering Committee

[Follow-up to meeting between Principal Secretary and National Security Advisor Mishra and OPIC President Watson in Washington]

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 1:54 PM

To:

Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Ce:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Importance:

High

Attached are the revisions to the OPIC talking points that OPIC sent over late yesterday. [(b)(5)]

The Charge from the US Embassy will most likely deliver the points to the GOI.

Please comment asap. Thanks.



----Original Message----

From:

Grewe, Maureen

Senta

Wednesday, July 11, 2001 12:52 PM

Tot

Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary; Rao, Geetha

Cc

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subjects

Dabhol meeting on Enron/OPIC project at NSC

Importance: High

This is a readout of the meeting at NSC this morning. There is also an ACTION request. USG agencies are requested to get back to NSC by cob tomorrow with comments on OPIC's suggested talking points for a demarche to the GOI by the Charge in Delhi. I talked to the State reps after the meeting (from South Asia bureau, Investment office and Larson's office) and they seem to be basically in the same place as I was on what an appropriate message might be. My proposed plan is that Geetha will take a first crack at comments on the talking points and circulate them within Treasury as early as possible this afternoon. Lam requesting that everyone provide comments by cob today, so that we can circulate our comments to State and try to come up with joint suggested points to submit to NSC by cob tomorrow. Please let me know if you have any concerns about this plan.

Readout of meeting:

Attendees: NSC, State (EB front office and investment office, South Asia Bureau), Treasury (Grewe, Rao, Sampliner), Commerce, OPIC (President Peter Watson, GC Ron Jonkers and several others)

Geetha will circulate revised points today. Please comment as quickly as you can and by cob today if possible, so we can try to coordinate with State. Call me or Geetha if you have any questions or need other background.

		Т	ha	ın	ks
T	rac	k	in	2	

Recipient	Read
Grewe, Maureen	Read: 07/11/2001 1:54 PM
Sills, Gay	Read: 07/11/2001 3:52 PM
Resnick, Bonnie	
Christopulos, Greg	Read: 07/23/2001 10:26 AM
Sampliner, Gary	Read: 07/11/2001 2:34 PM
Donovan, Meg	Read: 07/11/2001 2:22 PM
Mills, Marshall	Read: 07/11/2001 2:07 PM
McDonald, Larry	
Radelet, Steve	
Lemay, Joanne	Read: 07/17/2001 4:03 PM

# TALKING POINTS FOR US EMBASSY- INDIA

Re: Meeting with Ministries of Finance and Power and Dabhol Lenders' Steering Committee

[Follow-up to meeting between Principal Secretary and National Security Advisor Mishra and OPIC President Watson in Washington]

[(b)(5)]

1

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 5:14 PM

To:

Grewe, Maureen

Subject:

Enron/OPIC talking points

attached is the final version of the suggested talking points to send over to state...



Emplaik Y1 doc

Tracking:

Recipient

Read

Grewe, Maureen

Read: 07/11/2001 5:16 PM

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 2:25 PM

To:

Donovan, Meg

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

# [(b)(5)]

----Original Message-----

From:

Donovan, Meg

Sent:

Thursday, July 12, 2001 1:54 PM

To:

Rao, Geetha

Subject:

FW: Dabhol meeting on Enron/OPIC project at NSC

Importance: High

I couldn't resist. What's the deal with State's ability to spell korektli?

[(b)(5)]

Eskuz the rant! and pleez uze the deeleet ki.

----Original Message-----

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 11:01 AM

To:

Rao, Geetha; Berg, Katie; Sills, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc: Subject: Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve RE: Dabhol meeting on Enron/OPIC project at NSC

Importance: High

Attached are the talking points that State sent over this morning. Please review and send back any comments by 1:30. pm TODAY. We need to submit a joint set of TPs today. [(b)(5)]

any other suggestions?

<< File: EmbtalkY1 State.doc >>

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

From:

Rao, Geetha

Sent: Wednes

Wednesday, July 11, 2001 4:13 PM

To:

Berg, Katie; Sills, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc: Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject: RE: Dabhol meeting on Enron/OPIC project at NSC

1

Katie. [(b)(5)]

We'll go ahead and send

forward the points to State to push for a joint agreement on talking points... Thanks to all.

---- Original Message-----

From:

Berg, Katie

Wednesday, July 11, 2001 4:09 PM Sent:

To: Sills, Gay; Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc: Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

I must admit to never having heard of this problem. Geetha's revised talking points look good to me, but I would suggest that OPIC clear with ExIm in addition to State and Treasury if ExIm is involved.

----Original Message-

From:

Sills, Gay

Sent:

Wednesday, July 11, 2001 3:54 PM

To: Cc:

Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Donovan, Meg: Mills, Marshall; McDonald, Larry; Radelet, Steve; Berg, Katie

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

[(b)(5)] credits, and eximbank

am adding katie berg, she does export

----Original Message-----

From:

Rao, Geetha

Sent:

Wednesday, July 11, 2001 1:54 PM

To:

Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Importance:

High

Attached are the revisions to the OPIC talking points that OPIC sent over late yesterday. [(b)(5)]

The

Charge from the US Embassy will most likely deliver the points to the GOI. Please comment asap. Thanks.

<< File: EmbtalkY1.doc >>

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

From:

Grewe, Maureen

Sent:

Wednesday, July 11, 2001 12:52 PM

Dabhol meeting on Enron/OPIC project at NSC

To:

Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary; Rao, Geetha

Cc:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve

Subject: Importance:

High

This is a readout of the meeting at NSC this morning. There is also an ACTION request, USG agencies are requested to get back to NSC by cob tomorrow with comments on OPIC's suggested talking points for a demarche to the GOI by the Charge in Delhi. I talked to the State reps after the meeting (from South Asia bureau, Investment office and Larson's office) and they seem to be basically in the same place as I was on what an appropriate message might be. My proposed plan is that Geetha will take a first crack at comments on the talking points and circulate them within Treasury as early as possible this afternoon. I am requesting that everyone provide comments by cob today, so that we can circulate our comments to State and try to come up with joint suggested points to submit to NSC by cob tomorrow. Please let me know if you have any concerns about this plan.

Readout of meeting:

Attendees: NSC, State (EB front office and investment office, South Asia Bureau), Treasury (Grewe, Rao, Sampliner), Commerce, OPIC (President Peter Watson, GC Ron Jonkers and

several others)

[(b)(5)]

Geetha will circulate revised points today. Please comment as quickly as you can and by cob today if possible, so we can try to coordinate with State. Call me or Geetha if you have any questions or need other background.

Tracking:

Thanks. Recipient

Donovan, Meg

Read

Read: 07/12/2001 2:38 PM

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 3:52 PM

To:

Sills, Gay

Cc:

Donovan, Meg

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

# [(b)(5)]



Ewotal/Y1 State 2 doc

-----Original Message-----From:

Sills, Gay

Sent:

Thursday, July 12, 2001 3:44 PM

Tot

Rao, Geetha

Cc:

Donovan, Meg

Subject:

FW: Dabhol meeting on Enron/OPIC project at NSC

----Original Message-

From:

Donovan, Meg

Sent:

Thursday, July 12, 2001 3:21 PM

Sills, Gay

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

[Sills, Gay] fine with me. fdi is good for india and not paying will dampen foreign investors interest in india.

# [(b)(5)]

----Original Message-----

From: Sills, Gay

Sent:

Thursday, July 12, 2001 3:18 PM

Rao, Geetha; Berg, Katie; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve Cc:

Subject: RE: Dabhol meeting on Enron/OPIC project at NSC

ok with me to add in tps on damaging consequences on fdi. i am not bothered by emphasis on opic/exim because isn't that point of demarche.

----Original Message-

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 11:01 AM

To: Rao, Geetha; Berg, Katie; Silis, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary

Cc: Donovan, Meg; Milis, Marshall; McDonald, Larry; Radelet, Steve

Subject:

RE: Dabhol meeting on Enron/OPIC project at NSC

Importance:

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any other

suggestions?

<< File: EmbtalkY1 State.doc >>

----Original Message--

Rao, Geetha From:

Wednesday, July 11, 2001 4:13 PM Sent:

Berg, Katie; Silis, Gay; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary To:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve Cct

RE: Dabhol meeting on Enron/OPIC project at NSC Subject:

We'll go ahead and Katie, [(b)(5)] send forward the points to State to push for a joint agreement on talking points... Thanks to all,

----Original Message-

Berg, Katie From:

Wednesday, July 11, 2001 4:09 PM Sent:

Sills, Gay; Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary To:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve Cc:

RE: Dabhol meeting on Enron/OPIC project at NSC Subject:

I must admit to never having heard of this problem. Geetha's revised talking points look good to me, but I would suggest that OPIC clear with Exim in addition to State and Treasury if Exim is involved.

----Original Message--

Sills, Gay From:

Wednesday, July 11, 2001 3:54 PM Sent:

Rao, Geetha; Grewe, Maureen; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary To:

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve; Berg, Katle Cc:

RE: Dabhol meeting on Enron/OPIC project at NSC Subject:

[(b)(5)] export credits, and eximbank

am adding katie berg, she does

----Original Message--

Rao, Geetha From:

Wednesday, July 11, 2001 1:54 PM Sent:

Grewe, Maureen; Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary To:

Donovan, Meg; Milis, Marshall; McDonald, Larry; Radelet, Steve Cc:

RE: Dabhol meeting on Enron/OPIC project at NSC Subject:

Importance: High

[(b)(5)]

The Charge from the US Embassy will most likely deliver the points to the GOI. Please comment asap. Thanks.

<< File: EmbtalkY1.doc >>

---- Original Message ----

From:

Grewe, Maureen Wednesday, July 11, 2001 12:52 PM Sent:

Sills, Gay; Resnick, Bonnie; Christopulos, Greg; Sampliner, Gary; Rao, Geetha Tot

Donovan, Meg; Mills, Marshall; McDonald, Larry; Radelet, Steve Cci

Dabhol meeting on Enron/OPIC project at NSC Subject:

Importance: High

This is a readout of the meeting at NSC this morning. There is also an ACTION request. USG agencies are requested to get back to NSC by cob tomorrow with comments on OPIC's suggested talking points for a demarche to the GOI by the Charge in Delhi. I talked to the State reps after the meeting (from South Asia bureau, Investment office and Larson's office) and they seem to be basically in the same place as I was on what an appropriate message might be. My proposed plan is that Geetha will take a first crack at comments on the talking points and circulate them within Treasury as early as possible

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Readout of meeting:

Attendees: NSC, State (EB front office and investment office, South Asia Bureau), Treasury (Grewe, Rao, Sampliner), Commerce, OPIC (President Peter Watson, GC Ron Jonkers and several others)

# [(b)(5)]

Geetha will circulate revised points today. Please comment as quickly as you can and by cob today if possible, so we can try to coordinate with State. Call me or Geetha if you have any questions or need other background.

Thanks.

Tracking:

Recipient

Sills, Gay

Donovan, Meg

Read

Read: 07/12/2001 4:10 PM

Read: 07/12/2001 3:52 PM

From:

Rao, Geetha

Sent:

Thursday, July 12, 2001 6:05 PM

To:

'Speck, Janet G'; Rao, Geetha; Usrey, Gary S; Gadzinski, Peter S; Shub, Adam M(E); Walker, M

Karen; 'brooks, jo'

Cc:

Scholz, Wesley S; Delare, Thomas L; Bay, Janice F; Grewe, Maureen

Subject:

RE: TALKING POINTS FOR US EMBASSY- INDIA



lanet:

We have cleared the final set of talking points (with a minor addition in the final section). When you send over, please convey as Joint State-Treasury suggested points on the Enron issue. Thanks.

----Original Message----

From: Speck, Janet G [mailto:SpeckJG@state.gov]

Sent: Thursday, July 12, 2001 5:20 PM

To: 'Rao, Geetha'; Usrey, Gary S; Gadzinski, Peter S; Shub, Adam M(E);

Walker, M Karen; 'brooks, jo'

Cc: Scholz, Wesley S; Delare, Thomas L; Bay, Janice F Subject: TALKING POINTS FOR US EMBASSY-INDIA

Attached are talking points for the Embassy to deliver to the GOI re Dabhol. They have been revised as per Treasury's suggestions. Please let me know asap if you have further comments so that we can forward them to the NSC tonight. Thanks.

## < < TP - Dabhol rev.doc > >

Tracking:

Recipient

Read

'Speck, Janet G'

Read: 07/12/2001 6:06 PM

Rao, Geetha

Usrey, Gary S

Gadzinski, Peter S

Shub, Adam M(E)

Walker, M Karen

'brooks, jo'

Scholz, Wesley S

Delare, Thomas L

Bay, Janice F

Grewe, Maureen

Read: 07/12/2001 6:19 PM

# TALKING POINTS FOR US EMBASSY- INDIA

Re: Meeting with Ministries of Finance and Power and Dabhol Lenders' Steering Committee

[Follow-up to meeting between Principal Secretary and National Security Advisor Mishra and OPIC President Watson in Washington]

From:

Rao, Geetha

Sent:

Monday, July 16, 2001 12:52 PM

To: Subject: Resnick, Bonnie Enron meeting

Mr. John Hardy from Enron requested a meeting with Treasury to discuss the Enron project in India. We are planning to set up a meeting this wednesday. Will someone (e.g. Greg, Gay Sills, yourself) from the investment office be able to attend this meeting?

Please let me know asap.

thanks, geetha

Tracking:

Recipient

Remick, Bonnie

Read

Read: 07/16/2001 3:21 PM

From:

Rao, Geetha

Sent:

Monday, July 23, 2001 2:46 PM

To: Subject: Gunaratne, Nilmini Classified system

Can you check the classified to see if the USG delivered the demarche to the Indians over the weekend or last friday on the Enron issue? thanks! Once I know I will finalize the OPIC/Enron memo for Taylor to be delivered today (note the timeframe!).

Tracking:

Recipient

Read

Gunaratne, Nilmini

Read: 07/23/2001 2:46 PM

From:

Rao, Geetha

Sent: To:

Monday, July 23, 2001 5:11 PM Sampliner, Gary; Christopulos, Greg

Subject:

Info memo to Taylor on Enron

FYI We've prepared an info memo to U/S Taylor on the Dabhol issue. DAS Radelet is currently reviewing. If you have any clarifications, please let me know. Thanks,



PS Greg - these are the final talking points which were delivered to Post on Friday.

Tracking:

Recipient

Sampliner, Gary

Read: 07/23/2001 6:17 PM

Christopulos, Greg

Read: 07/23/2001 6:23 PM

From:

Rao, Geetha

Sent:

Wednesday, August 08, 2001 5:02 PM

To: Subject: McDonald, Larry RE: Draft e-mail to Dam

[(b)(5)]

Let

see what we hear back from Robb.

pls send away and let's hope for a quick response. Thanks.

----Original Message-----

From:

McDonald, Larry

Sent:

Wednesday, August 08, 2001 4:52 PM

To: Subject: Rao, Geetha Draft e-mail to Dam

[(b)(5)]

Tracking:

Recipient

McDonald, Larry

Read

Read: 08/08/2001 5:07 PM

From:

Rao, Geetha

Sent:

Wednesday, August 29, 2001 9:55 AM

To:

Christopulos, Greg

Subject:

RE: Briefing Book for D/S Dam's trip to India

# [(b)(5)]

----Original Message-----

From:

Christopulos, Greg

Sent:

Wednesday, August 29, 2001 9:31 AM

To:

Rao, Geetha

Subject:

FW: Briefing Book for D/S Dam's trip to India

Importance: High

# [(b)(5)]

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

From:

McDonald, Larry

Sent:

Tuesday, August 28, 2001 5:29 PM

To:

Chang, Won; Chaves, Mary; Warthin, Whit; Christopulos, Greg; Sills, Gay; Gunaratne, Nilmini; Kuhn, Julia; Monroe, Wilbur; Crowe,

Brian; Paulson, Sara; Brown, Patricia A.; LeCroy, Jessica; Burrows, Mathew

Cc:

LaKritz, Robb; Rao, Geetha; Mills, Marshall; McDonald, Larry Briefing Book for D/S Dam's trip to India

Subject: Briefi Importance: High

<< File: India Table Contents.doc >>

Deputy Secretary Dam will be traveling to India, Korea and Japan from September 11-22. Cleared briefing books for his trip are due to the D/S's office for review the middle of next week (a short week). A table of contents for the India book with tasking assignments for requested issue papers is attached. In order to give relevant IA policy officials an opportunity to review materials for the book over the coming weekend, I would greatly appreciate receiving submissions by noon this Friday (August 31). (Please copy Geetha Rao on any submissions.) I apologize for the requested quick turn-around, especially at a time when many offices are short-staffed due to summer vacation (such as it is).

Consistent with U/S Taylor's recent memo on briefing format, each issue paper should be brief -- aim for one page; under no circumstances more than two -- and should consist of an overview and key points (not in the form of talking points).

You'll notice that the last tab of the briefing book will be for Q's and A's. Please think about and propose any essential Q/As in areas that you cover. The D/S will have interaction with Indian and U.S. press. Without going overboard, we should provide key points and any essential background on any thorny issues that are likely to come up (for example U.S. sanctions applicable to India).

Many thanks.

Tracking:

Recipient

Read

Christopulos, Greg

Read: 08/29/2001 12:43 PM

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 climated doc



GPIC-Dabhol doc

Briefing for Treasury Dabhol 8/31/01

From:

Rao, Geetha

Sent:

Monday, September 10, 2001 7:51 AM

To:

Donovan, Meg; McDonald, Larry

Cc:

Sobel, Mark

Subject:

RE: from sobel at home -- do we need anything in the dam briefing book on this, is he still going o

india?

Tracking: Recipient

Read

Donovan, Meg Read: 09/10/2001 7:51 AM

McDonald, Larry

Sobel, Mark

Read: 09/10/2001 7:54 AM

I also saw this over the weekend. We have a one page information piece on OPIC's role in the Dabhol project which mentions Exim's involvement as well. See attached, as FYI, we will include this article in the briefing book as well.

ps - Meg this will probably look familiar to you .

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

From: Donovan, Meg

Sent: Monday, September 10, 2001 7:25 AM

To: McDonald, Larry; Rao, Geetha

Cc: Sobel, Mark

Subject: FW: from sobel at home -- do we need anything in the dam briefing book on this, is he still going o

india?

are you all covered on this? Let me know if I can help.

thanks...

----Original Message-----

From: marmar90 [mailto:marmar90@gateway.net] Sent: Sunday, September 09, 2001 10:36 PM

To: meg.donovan@do.treas.gov; chris.mccoy@do.treas.gov

Subject: from sobel at home -- do we need anything in the dam briefing book on this. is he still going o

india?

US credit agency may call in Indian loans

By Khozem Merchant in Bombay

Published: September 9 2001 16:16 | Last Updated:

September 9 2001 20:03

The US Export-Import Bank, one of the biggest lenders to the controversial Enron power project in Bombay, has indicated it may call in loan guarantees from Indian banks if a legal dispute over the plant is not resolved.

The Washington-based export credit agency has advanced \$298.2m to Enron's Indian arm, Dabhol

01/16/2002

Power Company (DPC), which is owed \$45m in unpaid bills by its sole local customer, the Maharashtra State Electricity Board (MSEB). The two sides are locked in a messy legal dispute over the choice of an arbitration authority.

Enron's relations with MSEB have collapsed since the utility rescinded its contract earlier this year and refused to draw down power from the 2,184mw plant in Maharashtra, western India.

The Houston-based company says it wants to quit India and is demanding full compensation of the \$1.1bn it has invested in the plant, whose \$2.9bn total cost makes it India's biggest single foreign direct investment.

About a third of the \$2bn in debt raised by DPC to finance the project was from foreign lenders, including Bank of America, Citibank, ABN Amro and Overseas Private Investment Corp of the US. Indian banks' exposure is \$1.4bn, including guarantees of foreign banks' loans.

US Export-Import Bank's threat to invoke loan guarantees by a syndicate of five Indian banks, including Industrial Development Bank of India, the country's biggest long-term lender, is contained in a petition to a Bombay court. The US bank wants to be allowed to argue in court on behalf of DPC, which is contesting MSEB's choice of a local arbitrator to resolve the payments dispute.

MSEB says the relatively untested Maharashtra Electricity Regulatory Commission (Merc) is the appropriate body to arbitrate. But DPC says arbitration must take place in the neutral location assigned in their contract.

Last month, India's Supreme Court upheld DPC's appeal against the Bombay high court, which had earlier ruled that Merc must decide for itself on whether it is the correct body to arbitrate. The new judgement by the Bombay high court is expected soon.

The US bank's move, which follows a similar initiative in July by 11 foreign banks with loans of \$440m to DPC, is designed to persuade the Bombay court to uphold the arbitration procedure laid out in DPC's contract with MSEB.

In its petition, US Export-Import Bank, which has loans and guarantees totalling \$1.2bn in India, says a safe and internationally recognised arbitration process was a key factor in its decision to advance the loan to DPC.

The dispute over arbitration is one element of a cooling relationship between Enron and India. Matters reached a diplomatically embarrassing point last month after Ken Lay, chairman of Enron, spoke of sanctions against India if the US company was not fully compensated.

From:

Rao, Geetha

Sent:

Thursday, November 01, 2001 1:47 PM

To:

Gunaratne, Nilmini

Subject:

RE:

[(b)(5)]

----Original Message----

From:

Gunaratne, Nilmini

Sent:

Thursday, November 01, 2001 1:42 PM

To:

Rao, Geetha

Subject

I saw this, thought of you...

November 1, 2001

S.E.C. Opens Investigation Into Enron By ALEX BERENSON

The Securities and Exchange Commission has opened a formal investigation into transactions among the Enron Corporation (news/quote) and partnerships headed by Andrew S. Fastow, the company's former chief financial officer, Enron said yesterday.

The commission's move comes as Enron struggles to reassure investors and its partners that its profits are real and that its cash position is strong. Shares of Enron, the world's largest trader of electricity and natural gas, have plunged 83 percent this year as investors question the company's complex and opaque accounting. Shares of Enron rose \$2.74 yesterday, to \$13.90, ending a 10-day string of losses.

In addition, Enron's board said yesterday that it had appointed a special committee to examine the transactions. The panel will be headed by William Powers Jr., the dean of the University of Texas law school, who was elected to Enron's board yesterday. The committee has hired William R. McLucas, a former head of the division of enforcement at the S.E.C., as its counsel. He is a partner in the law firm of Wilmer, Cutler & Pickering in Washington.

Erron disclosed 10 days ago that the commission had opened an informal inquiry into its transactions with Mr. Fastow. A formal investigation significantly increases the pressure on the company.

John Heine, a spokesman for the commission, said he could not comment on the S.E.C.'s investigation of Enron. But, speaking generally, Mr. Heine said the opening of a formal inquiry enabled the commission to subpoen documents and was used when S.E.C. staff members thought that the companies or executives were not responding voluntarily to their questions.

If staff members "run into situations where they feel they need information to look further and the sources for that information are not cooperative, the staff can go to the commission and recommend that the commission issue a formal order of investigation authorizing that the staff issue subpoenas," Mr. Heine said.

When it disclosed the commission's informal inquiry on Oct. 22, Enron promised to cooperate fully with the S.E.C. "We welcome this request," Kenneth L. Lay, Enron's chairman, said.

A spokesman for Enron did not return calls yesterday.

Enron began this year on an apparently unstoppable growth streak. But the company has suffered one setback after another. The company's efforts to become a profit-making water supplier and to create a new market in broadband

communications capacity have been expensive failures. In August, Jeffrey K. Skilling resigned as chief executive, forcing Mr. Lay, his predecessor, to resume day-to-day control.

Enron's problems came to a head in mid-October, when it disclosed that its shareholders' equity, a measure of the company's value, dropped \$1.2 billion in the third quarter because of a deal with partnerships led by Mr. Fastow. Because of complex accounting rules, the write-down was not apparent in Enron's quarterly earnings report. News of the write-down disturbed investors because it suggested that Enron might have found a way to hide losses, throwing the accuracy of its financial statements into question.

Last week, the company ousted Mr. Fastow, but it is now struggling to explain the transactions to its shareholders and bond-rating agencies. Amid rumors that the company might face a cash squeeze, Enron used a \$3.3 billion line of credit last week and is seeking additional financing. Still, some energy companies are shying away from making trades with Enron that will take more than a few weeks to close.

Tracking:

Recipient

Gunaratne, Nilmini

Read

Read: 11/01/2001 1:55 PM

From:

Rao, Geetha

Sent: To: Cc: Thursday, November 08, 2001 6:42 PM 'Rapson, Robert G'; Rao, Geetha Soriano, James V; McDonald, Larry

Subject:

RE: Terrorist financing/ PHO-Oneill Meeting

For the meeting tomorrow with Vasudev, we'd be interested in the following areas:

[OUTSIDE SCOPE, (b)(5)]

[(b)(5)]

[OUTSIDE SCOPE, (b)(5)]

----Original Message----

From: Rapson, Robert G [mailto:RapsonRG@state.gov]

Sent: Thursday, November 08, 2001 1:40 AM

To: 'Geetha.Rao@do.treas.gov'

Cc: Soriano, James V; 'Larry.McDonald@do.treas.gov'; Bean, James W

Subject: RE: Terrorist financing/ PHO-Oneill Meeting

1

## Geetha,

The Charge's meeting with Vasudev is now confirmed for Friday at 1200. Please pass us any points you'd like for him to raise. As I mentioned in an earlier e-mail, we understand [(b)(5)]

Look forward to hearing from you. Rob

```
> ---Original Message----
> From:
             Rapson, Robert G
             Wednesday, November 07, 2001 5:52 PM
> Sent:
> To: 'Geetha.Rao@do.treas.gov'
> Cc: Soriano, James V; 'Larry.McDonald@do.treas.gov'; Bean, James W
             RE: Terrorist financing/ PHO-Oneill Meeting
> Subject:
>
> Geetha,
>
> Talked with Kishore today and passed on your request to schedule a regular
> bilat between O'Neill and Sinha in Ottawa before G-20. Noted that this
> message had been conveyed to their Embassy in Washington. Kishore was
> non-responsive other than to say it would be something they would want to
> talk about with the Charge. FYI, meeting between Vasudev and Charge is
> now tentatively scheduled for Friday at 1200.
[(b)(5)]
```

```
> Rob
>
      ----Original Message----
>
      From: Geetha.Rao@do.treas.gov [SMTP:Geetha.Rao@do.treas.gov]
>
             Wednesday, November 07, 2001 5:01 AM
>
      Sent:
             RapsonRG@state.gov; Geetha.Rao@do.treas.gov
>
      To:
             SorianoJV@state.gov; Larry.McDonald@do.treas.gov
>
      Cc:
                    Terrorist financing/ PHO-Oneill Meeting
      Subject:
>
>
      Rob:
>
      We are going ahead with scheduling a bilateral meeting between
>
> Secretary
      O'Neill and Finance Minister Sinha in Ottowa before the G-20
>
      commence. The Indian Embassy has already relayed this message back
```

> to
Delhi. We trust (and hope) that they will agree to this meeting.
The objective of this meeting to discuss a range of U.S.-India
bilateral
issues, including [(b)(5)]

> Many thanks, > Geetha

Tracking:

Recipient

Rapson, Robert G

Rao, Geetha Soriano, James V McDonald, Larry Read

Read: 11/08/2001 10:11 PM

From:

Rao, Geetha

Sent:

Thursday, November 29, 2001 9:29 AM

To:

McDonald, Larry; Mills, Marshall; Kifayat, Adnan

Cc:

Christopulos, Greg

Subject:

Enron nears final collapse

Enron was in the [(b)(5)] middle of negotiations with Tata Power and BSES to sell its stake but given all that has happened in the last few weeks, Enron probably won't have time to continue those negotiations.

# Enron nears final collapse

End of merger talks, debt downgrade all but seal the company's fate, analysts say

Nov. 28 - The collapse of Enron Corp. - which rose during the 1990s from a sleepy natural gas distribution company to become one of the largest U.S. corporations - picked up speed Wednesday as merger talks broke off with rival Dynegy Corp. and its debt was downgraded by another rating agency. As its energy trading customers fled and its cash problems mushroomed, analysts said the company's options were fast running out.

AS RECENTLY as February, Enron's energy trading business - and its stock price - were riding high as the company rapidly expanded, buoyed by the volatility in natural gas prices and the deregulation of the electricity industry. Encouraged by glowing Wall Street reports on the company's cutting-edge business model, Enron's stock traded earlier this year above \$80 a share. It was recently ranked seventh on the Fortune 500 list of the biggest U.S. companies.

But in a stunning reversal, Enron's commanding share of U.S. energy trading has all but evaporated. Following the collapse Wednesday of merger talks with Dynegy, Enron's shares closed Wednesday at 61 cents, wiping out virtually all of the \$80 billion in value its stock investors held less than a year ago.

Though analysts say it is all but certain the company will seek bankruptcy protection, the company faces a huge mountain of debt - the size of which is not fully known. And many of Enron's most attractive assets have already been pledged as collateral for a series of loans the company sought to stay affoat.

"All the debt is in question," said Jon Cartwright, a senior energy analyst at Raymond James & Associates Inc., after the downgrade by Standard & Poor's, one of the agencies. "It is inconceivable that Enron can continue as a going concern." In response to the credit rating downgrade and Dynegy's announcement that it was ending merger talks, Enron said it will temporary suspend all payments other than those necessary to maintain its core operations

Kenneth L. Lay, Enron's chairman and chief executive, said the company was evaluating and exploring other options to protect its core energy businesses.

But analysts said there was little in the way of a viable business left to pretect.

"I don't think there's too much to break up anymore," according to A.G. Edward analyst Mike Heim. "What you're left with is people and outdated computers. "

The company also faces a blizzard of lawsuits from those Enron workers, whose jobs are now at risk. Many have lost hundreds of thousands of dollars on Enron stock held in retirement accounts, wrecking dreams of a

comfortable retirement for some. It's been a painful experience for people like Enron employee Roy Rinard, who was invested heavily in Enron stock.

"I'm basically wiped out," said the 54-year-old Rinard, who lost more than \$400,000 as a result of investing all of the funds in his 401(k) retirement account in Enron stock.

## SWIFT SLIDE

Enron's collapse began earlier this year but picked up speed six weeks ago with the announcement of a \$638 million quarterly loss. Investor and customer confidence eroded further after the company admitted it had overstated earnings by almost \$600 million since 1997.

The disclosure of the company's so-called "off-balance sheet" debts - those not carryed on its books nor disclosed to investors - heightened concerns about its financial health. Those debts were hidden in a series of partnerships which included top Enron executives, including its now-ousted chief financial officer Andrew Fastow. The deals, in which Fastow earned about \$30 million in management fees, are the subject of a Securities & Exchange Commission investigation.

The final blow came when Dynegy on Wednesday accused Enron of breaching a takeover agreement negotiated on Nov. 9, and invoked an escape clause that let it pull out of the all-stock deal valued at about \$9 billion at the time.

In a terse conference call with Wall Street analysts, investors and reporters, Dynegy Chairman and CEO Chuck Watson said early Wednesday afternoon that merger talks had broken down because Enron had breached the original merger agreement, "including the material adverse change provision."

Watson said the merger was off because the company didn't want to risk its "franchise, credit or credibility."
"We weren't going to do anything to jeopardize our stakeholders," he said. "Sometimes a company's best deals
are the very ones they did not do."

# DEBT AVALANCHE

In calling off the merger, Dynegy was fleeing an impending avalance of debt. All three major credit rating agencies had downgraded Enron's bonds to junk status by the time Dynegy called off merger talks. That lit the fuse on a debt bomb that Enron is unlikely to be able to defuse. The loss of Enron's investment-grade credit rating forces some \$3.9 billion in debts to come due immediately, a major problem for a company that has spent most of the \$5.5 billion it sought in recent weeks to stay afloat. Enron said in a recent regulatory filing that it was unlikely to "continue as a going concern" were its credit rating to be slashed to junk status.

Analysts say it's still not clear just how much debt is out there. Prudential Securities energy analyst Carol Coale estimates the total - both on and off the books - at about \$23 billion. How could the company hide so much debt from analysts and investors? Part of the reason stems from the company's insistence that its business model relied on proprietary trading strategies that it could not disclose to its competitors, Coale said. The lesson learned is that managements do lie," she said. "And analysts need to be less trusting of management when they have poor financial disclosure."

Enron's customers have been scrambling to find other energy companies to trade with. Dynegy CEO Watson said Wednesday there was a "a clear flight to quality" underway in the energy markets, and that Dynegy was in a position to pick up a piece of that business "with virtually no incremental cost to us." Dynegy has about \$75 million in exposure to possible trading losses with Enron, he said. Watson also said Wednesday that Dynegy has exercised an option to buy Northern Natural Gas - Enron's largest interstate distribution system with some 17,000 miles of pipeline that stretches from the Permian Basin of Texas to the Great Lakes. ChevronTexaco Corp., which owns 26 percent of Dynegy's stock, contributed \$1.5 billion to Dynegy as part of the transaction.

#### INVESTOR PAIN

Watson insisted the business model that Enron had pioneered remains sound, but stocks in other companies with energy trading operations moved lower. But whatever the long-term impact on the rest of the energy industry, Enron's legacy will almost surely be the wide swath it cut through its investors' portfolios.

"They [Enron] entrapped the sophisticates," said Robert Stovall, senior strategist at Prudential Securities, referring to what was once an almost fawning admiration for Enron by institutional investors. "I think this is going to become a classic case."

Stovall, with nearly 50 years of Wall Street experience, said he could not recall any previous corporate unraveling that matches that of Enron.

"You would have to go to pre-SEC days for that," he said, referring to the creation of the SEC in the aftermath of the stock market crash of 1929.

Enron has also left its financial backers with egg on their faces. J.P. Morgan Chase and Citigroup, who were advising the company in merger talks, have already contributed an estimated \$1 billion to the deal - much of it unsecured, according to analysts. Citigroup shares were off \$2.30, or 4.55 percent, at \$48.25 on the New York Stock Exchange, while J.P. Morgan shares were off \$2.37, or nearly 6 percent, at \$37.43.

Enron's collapse will be felt around the world, especially in Europe where the company had expanded into in most major cities. Until recently, Enron had accounted for about 30 percent of German wholesale power trading. It was also a major player in U.K. gas and electricity, and Nordic power, and was driving forward a fledgling French power market.

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Recipient McDonald, Larry Mills, Marshall Kifayat, Adnan Christopulos, Greg

#### Read

Read: 11/29/2001 10:34 AM Read: 11/29/2001 9:31 AM Read: 11/29/2001 12:34 PM Read: 11/29/2001 9:41 AM

From:

Rao, Geetha

Sent:

Monday, December 03, 2001 3:07 PM

To:

Sills, Gay; Resnick, Bonnie

Cc:

McDonald, Larry

Subject:

RE: Dam trip to India. Geetha: do you have anything in the briefing about enron's problems with

India?



king for an informational memo on Enron and India or is he requesting an Gay - Is Dam lo OPIC DIEBOL INVE. Enron specific paper for his Jan trip? On the first question, we put something together over the summer that details OPIC's interests in the project. Much has happened since then, which can be pull together in an updated memo.



|07-12-01| Erron-OFIC

On the second question, we received the first paper from your office and the second paper from OPIC. I've been following these Enron-India developments and have additional information if needed.



into mare.



**GC.000** 

----Original Message-

From: Sent

Sills, Gay

Monday, December 03, 2001 2:56 PM

To:

Resnick, Bonnie; Rao, Geetha

Subject:

Dam trip to India. Geetha: do you have anything in the briefing about enron's problems with India?

Dam told Joe Engelhard he wanted something in. please let us see what you have in, if anything. Otherwise bonnie who is filling in for greg will have to do something, thanks

Tracking:

Recipient

Read

Sills, Gay

Read: 12/03/2001 3:11 PM Read: 12/03/2001 3:14 PM

Resnick, Bonnie

McDonald, Larry

### Rao, Geetha

From:

Rao, Geetha

Sent:

Tuesday, December 04, 2001 9:37 AM

To:

Christopulos, Greg; McDonald, Larry; Sills, Gay; Resnick, Bonnie

Subject:

RE: Dam trip to India. Geetha: do you have anything in the briefing about enron's problems with

India?

Dabhol is not part of the Enron bankrupcy proceedings... see attached for additional information.



Depro not part of Ervon barie.

----Original Message-

From:

Christopulos, Greg

Sent:

Tuesday, December 04, 2001 12:07 AM

To:

McDonald, Larry; Rao, Geetha; Sills, Gay; Resnick, Bonnie

Subject:

RE: Darn trip to India. Geetha: do you have anything in the briefing about enron's problems with India?

[(b)(5)]

Original Message----

From: Sent:

McDonald, Larry

To:

Monday December 03, 2001 8:41 PM Rao, Geetha; Sills, Gay; Resnick, Bonnie

Christopulos, Greg

Subject: RE: Dam trip to India. Geetha: do you have anything in the briefing about enron's problems with India?

[(b)(5)]

----Original Message-----

From:

Rao, Geetha

Sent:

Monday, December 03, 2001 3:22 PM

To: Sills, Gay; Resnick, Bonnie

Cc: McDonald, Larry; Christopulos, Greg

RE: Dam trip to India. Geetha: do you have anything in the briefing about enron's problems with India?

We are confirming the timing of the trip and will let you know asap.

----Original Message

From:

Sills, Gay

Sent:

Monday, December 03, 2001 3:12 PM

To:

Rao, Geetha; Resnick, Bonnie

Cc: Subject: McDonald, Larry; Sills, Gay; Christopulos, Greg

RE: Dam trip to India. Geetha: do you have anything in the briefing about enron's problems with India?

When is the trip and when are the briefing papers due.

----Original Message----

From: Rao, Geetha

Sent:

Monday, December 03, 2001 3:07 PM

To:

Sills, Gay; Resnick, Bonnie

McDonald, Larry

Cc: Subject:

RE: Dam trip to India. Geetha: do you have anything in the briefing about

enron's problems with India?

Gay - Is Dam looking for an informational memo on Enron and India or is he requesting an Enron specific paper for his Jan trip? On the first question, we put something together over the summer that details OPIC's interests in the project. Much has happened since then, which can be pull together in an updated memo. << File: (07-12-01) Enron-OPIC info memo - final.doc >>

On the second question, we received the first paper from your office and the second paper from OPIC. I've been following these Enron-India developments and have additional information if needed.

<< File: (07-12-01) Enron-OPIC info memo - final.doc >> << File: IndialnvtClimate2 gc.doc >>

----Original Message----

From:

Sills, Gay

Sent:

Monday, December 03, 2001 2:56 PM

To:

Resnick, Bonnie; Rao, Geetha

Subject:

Dam trip to India. Geetha: do you have anything in the briefing about enron's problems with

India?

Dam told Joe Engelhard he wanted something in. please let us see what you have in, if anything. Otherwise bonnie who is filling in for greg will have to do something, thanks << File:

Briefing on OPIC-Dabhol - Investment section.doc >>

Tracking: Recipient

Read

Christopulos, Greg

Read: 12/06/2001 8:37 AM

McDonald, Larry

Read: 12/04/2001 9:43 AM Read: 12/04/2001 10:46 AM

Resnick, Bonnie

Sills, Gav

Read: 12/04/2001 10:44 AM

# Dabhol not part of Enron bankruptcy proceedings

Our Bureau

MUMBAI, Dec. 3

DABHOL Power Company (DPC) is among the assets excluded from the bankruptcy petition filed by Enron Corporation. Enron filed for Chapter 11 bankruptcy in the US on Sunday. A company release said the non-filing entities include Northern Natural Gas Pipeline, Transwestern Pipeline, Florida Gas Transmission, EOTT, Portland General Electric and numerous other international entities.

DPC is not part of the bankruptcy filings. And the on-going dispute resolution efforts x sale or termination x will not be affected by the proceedings. These will continue, the DPC spokesperson said here today.

The statement issued by DPC said: Dabhol Power Company is an Indian company with a separate legal entity in which Enron is one of four independent shareholders from India and US. Therefore, DPC functions independently of Enron Corp. We are currently reviewing the project to determine how to proceed further to resolve the dispute.

A high-level official at one of the lender banks said even though one part (of the issue) has become clear, the matter remains complicated. The two suitors, BSES and Tata Power, have not even started due diligence. He said at this point, it is difficult to say what can be done. We are waiting and watching the situation, he said.

The BSES Chairman, Mr R.V. Shahi, said that it does not change the companys view towards the sale process. We will examine independently the impact on DPC. A similar exercise may be carried out by financial institutions led by IDBI and we will wait for their opinion, he said.

Enron Corporations bankruptcy petition for Chapter 11 reorganisation includes 14 affiliated companies controlling its wholesale and retail energy trading businesses and pipelines operations among others, a news release said.

The corporation has submitted an elaborate plan suggesting ways to reorganise the troubled energy major. This includes borrowing more funds from financial institutions for debtor-in-possession financing, cost cutting by laying off workforce in Houston and selling non-core businesses.

Enron has also slapped a \$10-billion breach of contract suit against Dynegy Corporation, alleging that the latter had no right to exercise its option to acquire the entity that indirectly owns the Northern Natural Gas pipeline. According to Enron, Dynegy does not have the right to do so as its termination of the merger agreement with Enron is not valid.

### Rao, Geetha

From:

Rao, Geetha

Sent:

Thursday, December 06, 2001 9:33 AM

To:

Christopulos, Greg; McDonald, Larry; Mills, Marshall

Subject:

FEER article: India and Enron - The bankrupt energy giant has left India with a mess of legal tangles

and funding headaches

### ENRON

End Game

The bankrupt energy giant has left India with a mess of legal tangles and funding headaches

By Joanna Slater/MUMBA

Issue cover-dated December 13, 2001

FOR YEARS, Enron's foes in India fantasized about how the energy giant might leave the country. It could be driven out by the government, harassed by protests into heading off, or even bought out in a profitable exit. But of the many possible endings to the saga of Enron in India, no one ever imagined this one: that Enron might simply crumble, leaving its troubled Indian power plant to outlast its parent.

At first glance, it looks like a happy ending for those jockeying to pick up a stake in the \$2.9-billion power project at fire-sale prices. But the problem, say observers, is that it remains too soon to tell how Enron's bankruptcy will affect its Dabhol plant.

One likely consequence may be to delay the process of selling Enron's majority stake in Dabhol, according to the head of an Indian public financial institution with exposure to the project. More importantly, Enron's collapse still leaves the larger question of how to transform Dabhol from an acutely problematic asset into a productive one.

Anti-Enron activists greeted the demise of India's largest and most controversial foreign investor with no small amount of glee. In some quarters at least, there's a sense that the hard-charging multinational got what it deserved. "At the end of the day, if you are trying to fool people, there are people who will try to fool you," says Girish Sant, an energy expert at Prayas, a Pune-based non-governmental organization that has criticized Enron.

Those celebrations may be premature. Dabhol is a financial mess and will remain a burden on the Indian taxpayer, Enron or no Enron. Locked in a six-month-old dispute with its sole customer, the Maharashtra State Electricity Board, or MSEB, the enormous plant currently sits idle on the coast several hours south of Mumbai.

Construction on the second phase of the project—a whopping 1,444 megawatts—was halted just shy of completion. For the banks which helped pay for the project, it is a financial black hole, and since September it has generated neither power nor interest payments.

Before Enron's collapse, nervous Indian lenders with \$1.4 billion in exposure had been pushing for a resolution of the dilemma, preferably through a sale. Enron, for its part, had made it clear it was looking to get out of India.

Two private bidders emerged: Tata Power, a generating company that is part of the Tata conglomerate, and

BSES, a Mumbai-based generating and distribution firm. Due diligence on the sale was set to begin at the start of this month, but that timetable evaporated along with Enron itself.

### LEGAL WOES

Getting the process back on track may take a little time. Enron owns 65% of the plant, while Bechtel and GE, which own another 10% each, are unlikely to separate the fate of their stakes from that of Enron's. Further complicating the situation is the continuing court fight between the Dabhol plant and the MSEB. Dabhol is threatening to issue a final termination notice, a move that rips up the power contract between the two parties and starts what would probably be long and costly divorce proceedings.

At this point, however, a protracted court fight is less likely than a distress sale. "If they want to have a smooth sale, these legal tangles will have to be removed," says R.V. Shahi, managing director of BSES.

Shahi won't reveal the price range of a future bid, but estimates hover around \$500 million-600 million. BSES and Tata Power are now likely to push for even further discounts. "The plant is sick--as it stands it is unviable," says Shahi. "Where is the question of valuation in this?"

Fixing Dabhol will require far more than the money needed to buy Enron's stake. A good deal of the negotiation will be centred around how to restructure the project's high fixed costs, which in turn led to an expensive tariff for its power.

Shahi ticks off the demands: the fuel-supply contract must be renegotiated downward; the cost of capital must be reduced; the buyer must be given some security that it will be paid for power generated. The government will also need to relax restrictions on selling power across state lines, "since Maharashtra alone simply cannot absorb that power," says Sant of Prayas

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Recipient Christopulos, Greg

McDonald, Larry Mills, Marshall Read

Read: 12/06/2001 2:53 PM

Read: 12/06/2001 9:37 AM

## MEMORANDUM FOR SECRETARY O'NEILL

FROM: Jo

John B. Taylor Under Secretary (International Affairs)

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Principal Secretary to the Prime Minister

Meeting with Brajesh Mishra, Indian National Security Advisor and

### OVERVIEW

SUBJECT:

You are scheduled to meet with **Brajesh Mishra** (National Security Advisor and Principal Secretary), **Lalit Mansigh** (Indian Ambassador to the US) and **Yogesh Khanna** (Economic Minister, Indian Embassy). Joining you from Treasury will be John Taylor, DAS Radelet, and Geetha Rao.

Mr. Mishra is here to meet with several U.S. government officials, including Vice-President Cheney, Dr. Rice, Deputy Secretary Armitage and Secretary Rumsfeld to discuss the upcoming Indo-Pakistan summit and economic reforms in India. [(b)(5)]

Date: June 29, 2001 Time: 7:45-8:30 am

Location: Small Conference Room



Morocco
[OUTSIDE SCOPE , (b)(5)]
Drafted by Geetha Rao; Treasury (ISM) 9/27/01. Reviewed by L. McDonald

Jordan	
[OUTSIDE SCOPE , (b)(5)]	
Drafted by Jason Singer, Treasury (ISM) 9/27/01. Reviewed by L. McDonald	



# Saudi Arabia [To be completed 9/28]

# SENSITIVE BUT UNCLASSIFIED

INDIA (S in thousands)

[OUTSIDE SCOPE, (b)(5)]

SENSITIVE BUT UNCLASSIFIED





[(b)(5)]

Morocco
[OUTSIDE SCOPE , (b)(5)]
Drafted by Geetha Rao; Treasury (ISM) 9/27/01. Reviewed by L. McDonald

Jordan
[OUTSIDE SCOPE , (b)(5)]
Drafted by Jason Singer, Treasury (ISM) 9/27/01. Reviewed by L. McDonald

Egypt	SCORE (NVE)				
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# Saudi Arabia [To be completed 9/28]



Drafted by Geetha Rao; Treasury (ISM) 9/27/01. Reviewed by L. McDonald

# Turkey



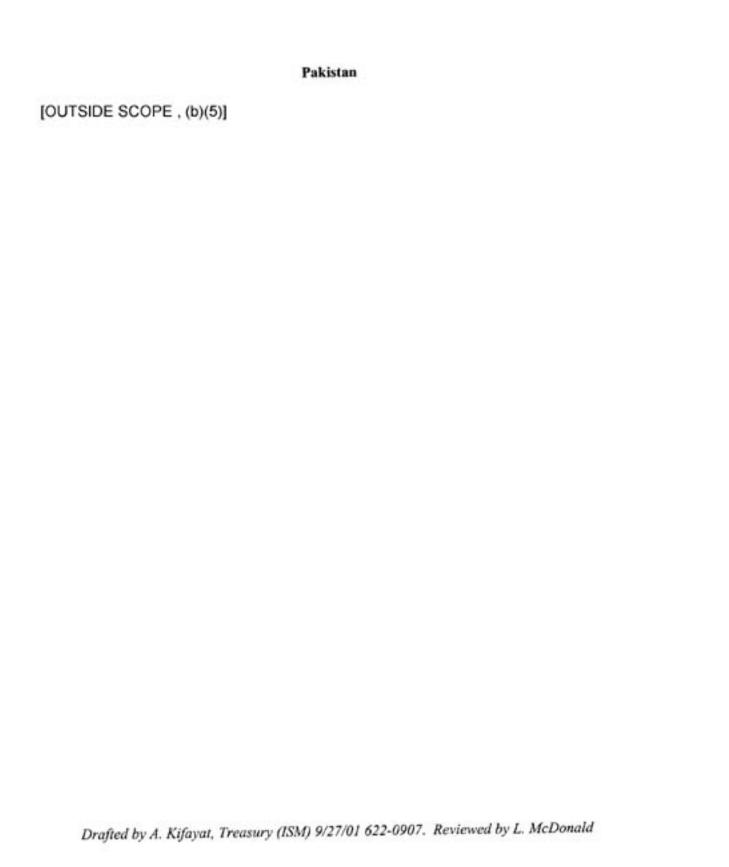
Morocco
[OUTSIDE SCOPE , (b)(5)]
Drafted by Geetha Rao; Treasury (ISM) 9/27/01. Reviewed by L. McDonald





# Saudi Arabia

[To be completed 9/28]



	India
[(b)(5)]	

Drafted by Geetha Rao; Treasury (ISM) 9/27/01. Reviewed by L. McDonald

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[OUTSIDE SCOPE , (I	b)(	(5)1
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Drafted by Marshall Mills, Treasury (ISM) 9/27/01. Reviewed by L. McDonald

Morocco
[OUTSIDE SCOPE , (b)(5)]
Drafted by Geetha Rao; Treasury (ISM) 9/27/01. Reviewed by L. McDonald

Jordan
[OUTSIDE SCOPE , (b)(5)]
Drafted by Jason Singer, Treasury (ISM) 9/27/01. Reviewed by L. McDonald



# Saudi Arabia [To be completed 9/28]