

Economic Affairs Scrutiny Sub-Panel (Telecoms Privatisation)

PUBLIC MEETING

Record of Meeting

Date: 14th November 2007

Meeting Number: 16

Present	Deputy G. P. Southern, Chairman Deputy J.G. Reed Deputy G.C.L. Baudains Deputy J. A. Martin
Apologies	
Absent	
In attendance	Mrs. E. Kingston-Walsh, Scrutiny Officer

Ref Back	Agenda matter	Action
1.	Minutes The Sub Panel approved the minutes of the meetings dated 12 th and the 19 th October 2007.	
2.	Matters arising The Sub-Panel noted the decision of the Minister for Treasury and Resources to delay the debate on Proposition P.153/2007 JT Group Limited: Proposed Sale.	
3.	Senator Shenton's Amendment The Sub-Panel considered the Amendment to Proposition P. 153/2007. The Chairman recalled that Finland favoured a tranching sale approach and still retained a share of Sonitel. The Sub-Panel noted that the Amendment excluded table two of the Proposition. It further considered the need for the Sub-Panel to draft a further amendment.	
4.	Response from Professor Massimo Florio The Sub-Panel received the response from Professor Florio dated 2 nd November 2007 and the accompanying document titled "Telecom Italia 1997-2007, A Case Study in Privatization Failures" by Professor Florio.	
5.	Legal advice The Sub-Panel noted the questions for legal advice from Hanson Renouf.	
6.	Advice request of Professor David Parker The Sub-Panel noted Professor Parker's reluctance for further involvement due to his work with the Telecoms Steering Group. It further noted that he would consider the technical aspects of the examples given in Annex 5.4 of the Proposition and that he had advised the Chairman to contact Ofwat regarding Northumbrian Water and their experiences of controlling gearing.	

	<p>The officer was directed to take the appropriate action.</p> <p>The Sub-Panel considered the relationship between tax liability and levels of gearing.</p>	EKW
7.	<p>Timetable</p> <p>The Sub-Panel considered that it should provide a formal response to P.153/2007 before the debate on 15th January 2008. It further considered that the response should be completed before Christmas.</p>	

Signed

Date:

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Chairman
Economic Affairs Scrutiny Sub-Panel (Telecoms Privatisation)