

KL wants

NSI 16 JUL 1997

By Manan Osman,
Hisham Mahzan and
Shamsul Akmar

KUALA TERENGGANU, Wed. — While the barricades at the roads leading to the \$1.3 billion Pergau hydro-electric dam project site have been dismantled, the Federal Government has indicated that it will not resume construction work unless the Kelantan Government guarantees that its implementation will not be obstructed further.

Datuk Seri Dr Mahathir Mohamad said the Pas-led Kelantan Government had to give a strong commitment that it would not hamper the project although it had removed the barricades it set up on July 4.

He said the Federal Government was willing to face any problem or risk that might arise in its effort to resolve the problem.

The Prime Minister also said the Federal Government had already agreed to expedite negotiations to resolve the issue but would need an undertaking from the Kelantan Government that it would not resort to such moves in future.

He hoped the matter could be resolved by July 23 when Tenaga Nasional convenes its board meeting.

"If possible, the matter should be resolved earlier in the public interest.

Dr Mahathir said this when asked by reporters to comment on the outcome of the meeting between the Kelantan Government and Tenaga Nasional officials led by its chairman Tan Sri Ani Arope in Kota Baru yesterday.

At a Press conference after chairing the Cabinet meeting at Wisma Darul Iman here, Dr Mahathir said the Federal Government had spent some \$400 million on the project and wished to settle the matter once and for all before more losses were incurred.

"That is why we need a guarantee from the Kelantan Government that it would not obstruct the dam project," he said.

Should any problems crop up later, they should be resolved through negotiations.

He said the Kelantan Government might also be asked to pay for the losses incurred as a result of the delay in the construction of the dam due to the obstruction.

The losses incurred as a result of the Kelantan Government's action had yet to be ascertained. The project is now about 35 per cent complete.

Legal opinion is also being sought over the Kelantan Government's involvement in the barricades. Dr Mahathir said the Federal Government could have relocated the project earlier but it did not want to punish the people of Kelantan just because they had chosen an opposition Government.

"Unfortunately, the Kelantan Government had resorted to such actions."

Earlier, Finance Minister Datuk Seri Anwar Ibrahim, who was also at the Press conference, said he had informed the Cabinet that the Kelantan Government had removed the barricades leading to the project site this morning following negotiations with Tenaga Nasional yesterday.

He said, however, workers were only directed to go in to carry out the necessary maintenance work like pumping excess water from the tunnel to prevent it from collapsing.

Anwar said negotiations with the Kelantan Government had been going on smoothly until they resorted to such actions, twice — in February and this month.

Anwar also said that the Federal Government had rejected the demand for compensation from the Kelantan Government as it was too high and unreasonable.

"They submitted in September, last year, a request for compensation for among others, a sum of \$450 million for a period of 50 years, and subsequently in December, submitted a second claim for an ex-gratia payment of \$90 million and \$330 million water usage payment for 50 years."

He said Tenaga Nasional had carried out negotiations based on the principles adopted when dealing with

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Kelantan pledge

Must not obstruct Pergau project

Kelantan gets one month to resolve issue

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Terengganu, Pahang and Perak with regard to the water usage rates.

"However, since the negotiation is carried out in 1992, the rates will be higher.

"Therefore, the Government had agreed to pay the Kelantan Government \$117 million which it feels reasonable taking into consideration this year's and the coming years' rates. The payments will be made in stages over a period of 35 years.

"In addition, other payments which do not escalate such as the loss of revenue from logging will also be paid," Anwar said.

Anwar also gave the Kelantan Government one month to resolve the matter.

Meanwhile, in Jeli, the Kelantan Land and Mines Department's enforcement division staff started dismantling the barricade at Batu 14 at 8.15am followed

by the one at Sungai Long, Batu 16, Batu 10 and Sungai Renyok.

By 9am, all the five barricades were removed and vehicles of Kerjaya Balfour-Beatty Cementation Bhd (KBBC), the main contractor of the project, were seen using the roads.

The decision to remove the barricades was made by the Kelantan Government after Menteri Besar Nik Abdul Aziz Nik Mat met with Anji in Kota Baru yesterday.

The Land and Mines department's enforcement chief Yusoff Daud led his team in dismantling the barricades. Tenaga Nasional's Pergau dam project co-ordinating engineer Zulkifle Osman was also present.

Yusoff said he received the directive from the Kelantan Government to take down the barricades yesterday.

"I was told that the barricades must come down by 8.30am today."

He also said he was happy

that throughout the 11 days, there was no untoward incident and his division could carry out their duties without a hitch.

The controversy over the dam project started on July 4 when the State Government directed its Land and Mines Department to barricade roads leading to the project site. On the same day, the department's enforcement division barricaded the Batu 10 road and the next day the Sungai Renyok road.

On July 8, the Batu 16 road was barricaded followed by the Batu 14 road on July 11 and the Sungai Long road on July 13.

Following the road closures, work was stalled, and 541 contract workers of RM Top, the company which supplies KBBC with contract workers, were served with a two-week termination notice to take effect on July 22.