

AM Nicky Gavron
City Hall
110 The Queen's Walk
London SE12 2AA

BY EMAIL & FIRST CLASS POST

June 8th 2016

Dear Nicky Gavron

Re: THE CASE AGAINST THE THAMES TIDEWAY TUNNEL & IN FAVOUR OF INTEGRATED WATER RESOURCE MANAGEMENT FOR THE THAMES TIDEWAY.

Please find attached/enclosed Thames Blue Green Economy (TBGE) report - 'The Case Against the Thames Tideway Tunnel' - for your urgent consideration, and hoped for support in our aim to stop the unsustainable Thames Tideway Tunnel.

We would like to meet with you, in your offices, and at your convenience, to discuss this critical matter. It is not too late to stop the tunnel in order to implement Integrated Water Resource Management (IWRM) instead. There is not enough money for both, nor political will from central government, who have blocked IWRM at every turn.

As is evidenced in other cities, IWRM reduces flooding, drought, air pollution, carbon and heat island effects, as well as increasing community well-being. Whereas. the Tunnel would cause misery to Londoners in the 7 year construction period, do nothing to address the pressing problems listed above and create a huge financial burden on current/future generations who will have to pay for the tunnel for 120 years at an estimated cost of at least £24 billion, see Appendix 1. However, if London adopted IWRM, it would improve the lives of Londoners almost immediately, at a fraction of the cost.

You will see that our report is a compilation of up to date evidence, provided by independent experts, who support TBGE's aims. The report shows why the Thames Tideway Tunnel is not needed, and why it must be stopped so that IWRM can be implemented instead.

We have set out detailed evidence against the TTT on the following grounds:

- The TTT is not needed to maintain Tideway water quality in line with European legal standards (pages 5-7)
- The TTT is hugely expensive, with construction costs alone estimated at £4.2 billion (2011 prices) and there are much cheaper and more effective alternatives to cope with occasional run-off issues (pages 7-8)
- The costs of the TTT will be paid for by a new utility charge on the bills of customers across the whole of Thames Water's region even though the

Tunnel will only cope with occasional storm run-off from Inner London (pages 8-10). Over the last 5 years, Thames Water has paid no UK corporation tax.

- Since 2004, Thames Water has paid over £3 billion in dividends to shareholders.
- The problems of the Tunnel are so serious that bidding for the special-purpose TTT "IP", the company, now known as Bazalgette Tunnel or Tideway, set up to actually build and operate the Tunnel for Thames Water, under license from the regulator Ofwat, is "uncompetitive" under government regulations with only two bidders. It therefore breaches normal competitive tendering standards for public service contracts. HM Government is having to provide guarantees to investors and lenders in an attempt to get the funding committed and the Tunnel built (pages 10-13)
- Thames Water, the Tunnel developer, is owned and controlled by shareholders in a tax-haven (Luxembourg), including a Macquarie European Infrastructure Fund (majority), BT Pension Fund, and the Abu Dhabi and Chinese Sovereign Wealth Funds. These shareholders have allowed Thames Water to raise £5 billion of the company's £10 billion debt via a Cayman Islands company, TWU Cayman Finance Limited. Given the extraordinary secrecy surrounding such tax havens, there is no way of knowing whether this money has come from drug-money laundering, terrorist or other criminal sources (pages 13-14)

We look forward to meeting up with you to discuss this issue further. Please can your office contact Emily Shirley by email (above), to arrange a mutually convenient time.

Yours sincerely



Lord Berkeley



Charles Secrett, TBGE Adviser
Dido Berkeley