

*Senior Minister
Singapore*

23 April 2001

Dear Mahathir

Thank you for your letter dated 21 February 2001 which I received on 7 March.

On first reading, the two main variations from the oral understanding we reached on 15 August 2000 are:

First, an increase in the raw water price from 45 sen to 60 sen per 1000 gallons, plus a five-yearly review of that price.

Second, the composition of the water: from 100 mgd raw water, 2011 to 2061, to treated water; and from 150 mgd raw water and 200 mgd treated water, after 2061, to 100 mgd raw and 250 treated.

Prime Minister Goh learned during Deputy Prime Minister Abdullah Badawi's visit that the Johore State government had pressed for a much higher price. You had moderated their demands and he appreciates your stand.

Our officials are working out the implications of these variations as compared with other alternatives. When they have done so, I will write to you again.

If there is give and take on both sides, an agreement is possible.

Meanwhile, although the time under the POA for KTM to choose between Woodlands and Bukit Timah has expired, as part of an overall package, we have agreed to your proposal that the KTM trains run in an underground tunnel to Kranji, where the KTM rail station will be relocated, to link up with our MRT. Pending the shift to Kranji, the KTM station will be located temporarily at Woodlands. I propose both sides instruct our officials to work out the details for this.

*Yusuf Sumanj
Kranji*

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