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NATIONAL ASSEMBLY OF BHUTAN
THIMPHU: BHUTAN



Opposition Leader

NAB-OL/09/09-10/

16 August 2010

The Hon'ble Minister
Ministry of Economic Affairs
Thimphu

Your Excellency:

I wish to respectfully report that the three principle contractors of the Punatshangchhu Hydropower Project Authority (L&T, Gammon and HCC) have each installed individual stone-crushing plants along the Punatshangchhu valley.

In this connection, several Bhutanese people have indicated that stone-crushing is a straightforward business activity and that it can be easily undertaken by our own people. They have also indicated that when contractors themselves process raw material (in this case, boulders to produce stone aggregate) for supply to their own construction sites, the Project Management's ability to monitor the quantity and quality of the material so supplied would be made needlessly complicated and difficult.

As Your Excellency will be aware, stone crushing is a specific industry, one that requires a separate industrial license and one that, according to existing policies, may not be open for investment to foreign companies. Furthermore, the stone crushing plants established by the three principal contractors of PHPA may also be outside the scope of their respective contract packages. As such, the plants that they have established may be unlawful.

The Punatshangchhu hydropower project is currently our country's biggest and most important project. The project is even more significant as it represents the growing bonds of friendship and genuine goodwill that exist between the peoples of Bhutan and India. Hence, all of us need to render our fullest support to ensure that this landmark project is implemented successfully and expeditiously.



Opposition Leader

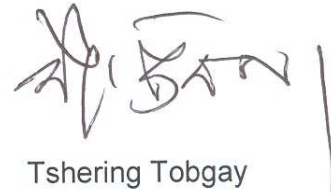
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However, it is also important to be both careful and thorough now, during these early stages of the project, in order to prevent potential complications and to avoid unnecessary scrutiny in the future. It is with this in mind, Your Excellency, that I humbly report our concerns about the stone crushing plants that have been established by L&T, Gammon and HCC in the Punatshangchhu valley.

With warm regards,

Yours faithfully,



Tshering Tobgay

C.C. The Chairperson, Anticorruption Commission, Thimphu