

## Ulu Muda issue: PBAPP tells Kedah to seek compensation from federal govt, not Penang

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GEORGE TOWN, Dec 18 -- Perbadanan Bekalan Air Pulau Pinang (PBAPP) said Kedah should seek fair compensation from the federal government instead of Penang for the conservation of Ulu Muda as a regional water catchment area.

In a statement today, PBAPP chief executive officer Datuk Jaseni Maidinsa said the raw water from Ulu Muda benefits not only 1.77 million people who live in Penang but a total population of 4.2 million in three northern states - Penang, Perlis and Kedah.

He said the federal government's vision for the Northern Corridor Economic Region (NCER) was based on leveraging the combined strengths of Perlis, Kedah, Penang and Perak to develop a world-class economic region and technology hub, and it would not be achievable without water supply security for all states in the NCER.

"If Kedah is serious about conserving Ulu Muda as a regional water catchment area, it should seek fair compensation from the federal government, and not Penang," he said.

He also said the Penang government and PBAPP have publicly expressed support for Kedah to seek federal compensation for the conservation of Ulu Muda as an NCER water catchment area, if certain terms and conditions for conservation were met.

According to Jaseni, the conservation terms included gazettement 163,000ha of rainforests in the Greater Ulu Muda Forest Complex as permanent reserve forests under the National Forestry Act 1984 and imposing a complete ban on all logging and mining permits and activities in Ulu Muda, including mining for rare earth elements.

"If Kedah finds these terms and conditions acceptable, the Kedah state government may count on full support from the Penang state government and PBAPP to negotiate and secure federal compensation for the conservation of Ulu Muda, for the benefit of the NCER and its people," he added.

Jaseni was responding to Kedah Menteri Besar Muhammad Sanusi Md Nor's statement on Wednesday demanding an annual payment of RM50 million from Penang for drawing raw water from Sungai Muda.