OFFICIALS OF PETROTRIN

Mr. Fitzroy Harewood	President
Mr. Jonathan Barden	Vice President, Refining
Mr. Stephen Awah	Vice President, Exploration and Production (Ag.)
Mr. Neil Derrick	Vice President, Human Resources and Corporate Services (Ag.)
Mr. Ronald Huff	Chief Financial Officer
Ms. Radica Maraj-Adharsingh	Senior Manager, Law and Land Management

OFFICIALS OF THE MINISTRY OF ENERGY AND ENERGY INDUSTRIES

Mr. Selwyn Lashley	Permanent Secretary
Mr. Leroy Mayers	Energy Consultant

Mr. Chairman: Good morning, everyone, members, representatives of Petrotrin, representatives of the Ministry of Energy and Energy Industries, representatives of the press, members of the Committee. I would like to welcome everybody and to reconvene this meeting, and welcome those present, as well as the viewing and listening audience, to the Seventh Meeting of the Joint Select Committee on State Enterprises. This is the Committee's second public hearing pursuant to its enquiry into Petrotrin.

I would like to remind everyone that this broadcast is being broadcast live on Parliament Channel 11, Parliament radio 105.5 FM, and the Parliament's YouTube channel, *ParlView*. Members of the viewing and listening audience can send comments or questions via email to parl101@ttparliament.org, or on our facebook page at facebook.com/ttparliament, or on Twitter@ttparliament.

I have a housekeeping note here, I have been asked to make sure everyone has their phones either off or on silent so that we do not have any disturbances during the session. I would like to invite the representatives of Petrotrin to introduce themselves and members to the Committee. Mr. President.

Mr. Harewood: Thank you, Mr. Chairman, and good morning to you and members of the committee. Thank you for having us again, and I will ask the members of the team to introduce themselves, and then I would just make a quick comment about the absence of the Chairman, who is not here this morning.

[*Members of Petrotrin introduce themselves*]

Mr. Chairman: Thank you. I would like the representatives of the Ministry of Energy and Energy Industries to identify themselves, please.

[*Members of the Ministry of Energy and Energy Industries introduce themselves*]

Mr. Chairman: Thank you very much. Let me just go through the introduction of the members on this Committee, beginning with the members on my right.

[*Members of the Committee introduce themselves*]

Mr. Chairman: Good morning, everyone, I am David Small, I am the Chair of this Committee. I want to place on the record that the Chairman of Petrotrin, Mr. Andrew Jupiter, has communicated with the Committee and he is properly excused from the meeting. He communicated with the Committee indicating that he is overseas on official Government business on an official Government business trip, and the Committee has communicated back to the Chairman indicating that he is excused for the meeting. So we want to make sure that that is publicly recorded that the Committee understands why he could not be here. So we have no issue with that whatsoever. I would now ask the President of Petrotrin to just make a few brief opening remarks before we begin our session.

Mr. Harewood: Thank you, Mr.Chairman, again, we are happy to be here again to go through the deliberations of the Committee and to respond to enquiries so made. Let me just quickly establish a basic understanding of Petrotrin which we think we would use as a basis for all the questions we have to answer. Petrotrin is an integrated oil company, and we think it is important to keep reminding people of that, and really we make our revenue from the production and marketing of refined petroleum products. As a result, for us it is important that we produce some crude, which is used in the refinery, and we source the remaining crude, and the refined products are what we sell to produce our revenue for the company, as well as the profitability of the company.

In that regard, it is important to recognize that when crude prices are high we gain a significant competitive advantage by producing our own crude, but when crude prices are low the issue becomes a very intractable one and we find ourselves where sometimes it could be a bit indifferent, but we continue to do what we need to do in terms of increasing our crude production. That is our model, and everything that we do with respect to our business revolves around that model, sourcing crude, refining it, producing refined products, selling those refined products to our customers on the various markets. That is our opening statement, and at this time we are available to the comments and questions of the Committee.

Mr. Chairman: Thank you very much, Mr. President. Before we begin the questioning, the members of this Committee have asked the Chairman to deliver some remarks, or some comments, or a statement, and it has to do with a disturbing trend that is apparently emerging, or probably is now coming to light, regarding the way in which the responses to the Committee have been coming. So I want to spend a couple of minutes, with the permission of all, to just go through a short statement which, again, all members of the Committee have mandated the Chairman to make.

Good morning dear citizens of Trinidad and Tobago, the Committee views this statement as becoming necessary because of the actions or behaviours being demonstrated by some state enterprises. The effect of these actions is that the authority of this Committee is being challenged, and that if we allow it then state agencies will be allowed to dictate what information they provide to the parliamentary oversight committees, all under the guise of protecting their interest. The question that obviously arises then is that if they are owned or controlled by the State, and they are seeking to apparently circumvent the authority of the Parliament, whose interest are they really protecting by these actions?

For the information of all, this Committee derives its authority from section 66 of the Constitution of Trinidad and Tobago, which is the supreme law of the land. At section 66A(3) of the Constitution, I wish to quote:

> "Subject to this section, the Standing Orders of the Senate and the House of Representatives shall apply to a Committee appointed under this section."

At section 66A(ii), paragraph (D), and I quote, it says:

> "Enterprises owned or controlled by or on behalf of the State or which received funding from the State of more than two-thirds of its total

income in any one year;"

And (E) says:

> "...in relation to their administration, the manner of the exercise of their powers, their methods of functioning and any criteria adopted by them in the exercise of their powers and functions;"

I want to take the time to quote also from the Standing Orders which flow from the constitutional authority of this Committee. I want to reaffirm all present to section 91 of the Senate Standing Orders, and under that rubric it says, General Functions of Departmental Joint Select Committees. At (b) it says the Committee is required to:

> "investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration and operations of the assigned Ministries, departments or bodies;"

At 101 of the Standing Orders, under the heading, General Powers of Select Committees:

> "In addition to powers granted by these Standing Orders, Select Committees shall also have the following powers, namely:
>
> (a) to send for persons, papers and records;"

At 102 of the Senate Standing Orders, under the heading, Procedures in Select Committees, under the heading, The Exercise of Powers to Send for Persons, Papers and Records, at subparagraph (12) it says:

> "A Select Committee may require, by Order, that a summons be issued to any person—
>
> (a) to attend before that Committee to be examined and give evidence; and
>
> (b) to produce papers and records in that person's possession,

custody or control to that Committee."

Similar provisions are to found at sections 101(b), 111(a), and 112(11) of the House of Representatives Standing Order.

I, as Chair, have been mandated by the members of this Committee to make very clear our understanding and our expectations when information is requested from state entities. The filter for this information is the Committee. The filter for this information is the Committee who will take fullest consideration of any entreaties regarding confidential, competitive, or legal considerations proffered by the entity in conducting our work. It is not the purview of entities to determine what information this Committee should have access to or not have access to. It is the considered view of this Committee that there is no discretion by the entity being examined regarding legal request of this Committee for information to conduct our work. The emerging trend of spending taxpayers' moneys to get legal opinions that have the effect of limiting this Committee's authority to access information is not going to be tolerated. At least one entity has gone the route of quoting case law on a particular matter as their excuse for refusing legal and mandatory request for information.

The Committee has been advised that in July 2014, the High Court ruled that a Ministry acted illegally when it refused to request, from an entity, documents related to a contract to develop a public property in Port of Spain. That Ministry had claimed it was exempt as the items were confidential legal advice and bound under all sorts of legal opinions. The local High Court ruled that the Ministry had failed to prove its public interest concerns against disclosing the advice. The Committee trust that there will be no recurrence of this errant behaviour. To the citizens of this country, I give you the assurance that this Committee is fearless but fair, and will be seeking to get the fullest accounting of the expenditure of state resources by entities under our purview. There will be no states within a state under the watch of this Committee, and any entity that fails to adhere to these guidelines will have to return and tell the citizens of the Trinidad and Tobago, on live TV, why they are trying to not provide information to this Committee, and, ultimately, trying to avoid information being provided to the country.

I want to thank you for allowing me to proffer the Committee's position on this matter and, in enclosing on this statement, I want to say that the Committee is here to provide recommendations. The outcome of these enquiries is a report in which recommendations are included. If entities choose to decide not to provide specific bits of information that are material to the Committee having an opinion, then all the Committee can say is that the company, or the entity, did not provide the information, and the Committee here is hamstrung in giving an opinion. So that these matters are matters that are of grave concern to this Committee, given the fact that this Committee is empowered by the Constitution, and we take serious exception to having state entities writing to us and quoting case law. We take serious exception to that. A request has been provided, it should be fulfilled.

The confidentiality of information is guaranteed by the Parliament, and there is precedent. Entities have appeared before this Parliament before and, I have said, we have information that we deem to be commercially sensitive, legally sensitive, and all that has happened is that those entities have asked to have those matters discussed in camera, away from the glare of live TV, but there was no issue of not providing information. We have an issue with entities deciding for themselves to not provide information to this Committee. So I want to thank everyone for allowing me to share the Committee's concerns on this matter, and we trust that those entities that have information outstanding for this Committee would do the right thing, because there will be some action that will be taken if it is not provided.

I will now open the floor for questions to begin the session today. I understand Sen. Mark would like to begin the questioning. Sen. Mark, you have the floor.

Mr. Mark: Yes, thank you very much, Mr. Chairman. May I welcome all the officials, including the President of Petrotrin, to this Joint Select Committee on State Enterprises. Before I enter into some of the areas I would like to have clarified, I would like to put on the records of this Parliament my surprise, almost disbelief at the conduct and behaviour of such an important state entity in T&T, and its failure to provide information to this Committee. As the Chairman said, we are here to help not to hurt, we are here to submit recommendations to make Petrotrin more efficient, more effective, and more economical, but it is inexcusable, it is indefensible for Petrotrin to advise this Committee that, based on legal advice and referring us to court cases, they will not be able to supply this Committee with documentation that has already been supplied to the Law Association of Trinidad and Tobago.

Our Attorney General has provided all the legal opinions that Petrotrin is refusing to provide to this constitutional body, having regard to the fact that this body is established under section 66 of the Constitution of the Republic of T&T, which is the supreme law of the land, and it supersedes the Legal Profession Act. So I am very disappointed, disturb, flabbergasted over this development, and I hope that Petrotrin would reconsider its unfortunate position. Before Petrotrin leaves this hearing today, I am hopeful that this stance taken by Petrotrin would be reversed in the national interest, and we do not go further with this matter.

I would like to ask the President whether this position that was taken had the blessings of the Minister of Energy and Energy Industries, or was this a unilateral decision, on the part of Petrotrin, not to supply this Committee with opinions that are now in the hands of the Law Association of this country that the Attorney General has supplied upon request, and has indicated that any organization that requests these legal opinions, he is prepared to consider supplying same to those organizations.

So I would like to have some clarification whether this is a unilateral decision on the part of Petrotrin, or whether this has the blessings of the Minister of Energy and Energy Industries. That is the first clarification I would need to have, Mr. Chairman. The second area I would want to get into, there are several, but I want to deal with a few before passing on to my other colleagues. In your submission you indicated, and I quote:

> By application dated January 12, 2016, filed on January 13, 2016, as well as a supplemental affidavit, dated and filed on February, 2016, counsel Debideen—

I think it is Varun Debideen.

> —applied to the court to cease to act as instructing counsel.

That is in your appendix eight of your earlier submission. First of all, was there any reason given by the counsel, Debideen, for ceasing to act? Secondly, who comprised the Board of Petrotrin at the material time the decision was taken to file a lawsuit against the former Executive Chairman?

And how was the decision to hire the respective counsel, or counsels, determined by the board? As you are on this matter I would just ask three final questions in this round. Could you provide this Joint Select Committee with information on who was the alternate Chairman at the meeting that Professor Andrew Jupiter recused himself?—that would have been on February18th.

Could you also provide, to this Committee, information on the names and positions of the other persons who constituted this meeting? What was the rationale used for determining the decision to discontinue the matter by the board? What was the overall cost, lost to the company including all legal fees in this matter? And, finally, Mr. Chairman, through you to the President, could you confirm for this Committee, Mr. President, who hired Counsel Varun Debideen to represent Petrotrin? These are some of my early questions I would like to have clarification on, and I think that this Committee would like to have some clarification on, Mr. President of Petrotrin. Thank you, Mr. Chairman.

Mr. Harewood: Mr. Chairman, thank you, we note the seven questions from the Senator, and I will attempt to speak to the first one and also respond to the general issues, and then I will ask the corporate secretary to respond to the other legal matters. Yes? So with respect to the first item I want to just draw your attention to our submission the last time we were here, and there was one question that spoke very specifically about how does the company carry out its daily operations and how decisions are made, and in that we were very clear in identifying that we are operating under a governance structure that includes a board and a management. There is no opportunity in, certainly our obligations under the Companies Act, for the

Minister to be involved in day-to-day activities of the company, and so decisions that are made by the company are not in any way influenced by the Minister of Energy and Energy Industries. And that is fundamental to how we operate as a company within Trinidad and Tobago, because we are a state enterprise, yes, but we are a state enterprise that is incorporated under the Companies Act of Trinidad and Tobago, and, therefore, the final authority within the company lies with the Board of Directors, and that is fundamentally how we have operated. So there has been no opportunity for the Minister of Energy and Energy Industries to be involved in decisions made by the company.

Just another passing comment I would wish to make, Chairman and Senator, we take on board, wholly, the comments that are raised with respect to cooperation with this Committee, and, certainly, one can testify by the voluminous documentation we have submitted to all the questions that have been raised by this Committee, from since day one, that Petrotrin is committed to providing all the work that is required to facilitate the activities of this Committee. And, certainly, we look forward to the recommendations that emanate from the discussions that occur and from the deliberations of the Committee, and that is our commitment. We remain committed to that and we will never deviate from that. We, however, are aware—recognize that as company incorporated under the Companies Act there are a lot of things that are occasion to us and we must pay attention to under good corporate governance, and those things from time to time will pop up. We have heard the comments about where the filter lies and who determines that, and we understand that, and we appreciate that, and we intend to follow up as much as possible.

10.30a.m.

Mr. Harewood: We have responded, and I want to put on record that Petrotrin responded sufficiently and very adequately to the requests that were made at the last meeting for us to provide documentation that would have determined the deliberations of the board on this matter. We provided full submissions in terms of another voluminous set of documents that the board considered at the time. We indicated that some of the legal opinions that were given to us as a company, and which are also part of other activities that are ongoing with respect to this matter that are not yet closed in terms of other requests that are ongoing and are also before the court, that we felt under common legal privilege that we could not make those opinions available, because they are still matters under consideration. That is a normal decision under the course of business for a company who is operating within this environment.

With respect to all the other matters, we have answered sufficiently and some would argue that we have answered more than abundantly with respect to what was required of us, and we continue to maintain that, we continue to cooperate significantly with this Committee. Our position has always been that we will cooperate with the entities in front of us, and we continue to do that.

I want to put for the record, as indeed others have spoken on the record, that Petrotrin remains committed to cooperating with the Parliament and with the standing committees, and there is nothing in our decision-making that precludes us from doing that. We continue to operate as a legal entity within this country under the Companies Act, and where those obligations of us as a company reside, then we recognize our obligations under that, under due corporate governance and we respond accordingly. That has always been our position. So for the record I just want to answer that.

With respect to the other six questions, I want to ask our Corporate Secretary to respond to those that speak to the legal issues.

Mr. Mark: Before your Corporate Secretary responds, Mr. Chairman, through you, could I ask Mr. President, are you prepared to reconsider your position, given what the Chairman has said that we are the filter and we will treat as a responsible Committee what is confidential, what could be made public, or are you sticking to your guns that you have taken a decision not to supply this Committee with its requests for those legal opinions, so that this Committee, guided by what you would write to us indicating what you considered to be highly confidential and, therefore, you would want to have these matters discussed in camera.

Are you prepared to reconsider your position or do you stand by your position that you wrote, and it is now in black and white, that you are not prepared at this time to supply us with those legal documents. I just want to get clarification on this matter, because it is very important for this Committee's deliberation at the end of this hearing as to where we are going with Petrotrin. So that is why I am asking if you want to reconsider the Chairman's opening remarks in terms of the ability of this Committee to treat with any documentation that may come before us, conscious of the sensitivity, the confidentiality and the need if necessary to go and have a hearing in camera, away from the public, because we are a responsible Committee. So that is what I wanted to get clear from you, Mr. President.

Mr. Harewood: Mr. Chairman, through you again I respond. The whole construct of the Senator's question seems to suggest that we are at odds with what you have articulated. I want to again go on record as saying that Petrotrin remains committed to cooperate fully with this Committee and other such entities as we stand before you.

In that regard we are well aware that we have articulated a position in our response to the Committee in terms of the questions. We are also aware that given our governance structure our board can, if so required, choose to waive privilege, if it so desires and is so mandated to do, and so consider in its opinion that it is the right thing to do, and under such considerations we are certainly willing, if the privilege is raised and if indeed we are guaranteed the issue of in camera sessions to consider anything else before us. That is where we are. I do not think it is a reconsideration, it is simply a clarification of our roles and understanding where we stand with the issue of corporate governance as an entity in Trinidad and Tobago.

However, let me just further suggest to you that when we hear the clarifications coming from our Senior Manager Law and Land Management, I think it would put in better perspective the position we are articulating now in terms of being able, or willing to waive legal privilege if so required of our board to deal with the issues that are in front of us.

Mr. Chairman: Permit the Chairman to just interject here. Mr. President, I want to thank you for your forthright response. This is a matter that has troubled the Committee. The Committee is happy to hear that the company recognizes that there is an issue that needs to be treated with, and I would agree with you, and I would say that on the record the submissions received from Petrotrin have far and away, they have been fully responsive to the vast majority of questions. There is no question about that. So I want to confirm your position on that. Let there be no doubt about that.

The one concern the Committee has is that there were documents that in a letter you wrote in your submissions that this is the document that you relied upon to make the decision. That document was not submitted. So I understand you may have sent a whole folder with all the legal proceedings, but the documents that the board relied upon to make its decision was not submitted. In the absence of that the Committee has a challenge, because there is no way the Committee could understand the reasoning behind the board making the decision if the documents that the board used were not supplied.

So I look forward to a reconsideration, a rethinking, a relaxation of whatever needs to be relaxed to allow the Committee—because for all you know, and for all the members of the viewing public to know, the Committee may look at the documentation and in its report may indicate that Petrotrin, based on information provided, has acted properly and that everything is full and above board. In the absence of the information, the Committee is hamstrung in making a decision. So this is the tension that we are experiencing. I am happy to hear from you, Mr. President, that there will be some movement on the matter. I give back the floor to your manager, legal.

Mr. Harewood: Thank you, Mr. Chairman. Just before she continues, again we are very encouraged by your acknowledgement of our support. I just want to draw to your attention though that on the last occasion it was on the direction of the Chair that said we are required to disclose documentation subject to disclosure, and that is the premise under which we operated. So as far as we are concerned, we operated within the ambit of the Committee.

I will ask the Legal Manager to get into the details.

Ms. Maraj-Adharsingh: Hon. Chairman, if I may continue on that issue. In respect of the legal professional privilege, I just wanted to clarify that Petrotrin was not merely looking at considering lifting the legal professional privilege, but in these documents you would see that Petrotrin is a party to international arbitrations. You have the ICC body and the London Court of International Arbitration, by which Petrotrin is obliged to maintain confidentiality.

The witness statements that were given that were relied upon in the opinions, those witness statements formed part of the records of these arbitrations, and it would be very difficult for Petrotrin to breach its obligations with an international body and give those documents. It was for that reason we needed to have further deliberations.

If I may add, if those documents were delivered without more, it would be difficult for us to obtain witnesses and even indeed to appear before international bodies where you actually have confidentiality obligations. It has far-reaching consequences for the State of Trinidad and Tobago where we appear before international bodies and we have breached our obligations. We just wanted to put that on record before this honourable Committee, that in fact, apart from the lifting of legal professional privilege, that was also a major consideration for Petrotrin, and Petrotrin is obliged to act responsibly in accordance with the Companies Act of Trinidad and Tobago.

If I may now turn to the questions that were raised. The first was: Was any reason given for Varun Debideen wanting to withdraw from this matter? Before I answer on that I would like to direct this Committee to where on March01, 2016, Mr. Debideen withdrew his application before the court. In fact, our in-house counsel, Petrotrin's Sharon Morris-Cummings came on record as an instructing counsel.

Perhaps it may be helpful to put in context, and in so doing I will be answering some of the questions that the hon. Senator raised.

In 2011 Petrotrin's then board resolved and agreed that the Office of the Attorney General would take conduct of this matter, that is, the Malcolm Jones litigation. At that point in time those directors—and I believe that is one of your questions—those directors were Lindsay Gillette, Aleem Hosein, Charles Baisden, Peter Burke, Carl Hector, Peter Inglefield, Khemram Jookoo, Reshard Khan, Rudranath Maharaj, Arnold Ram and Krishendath Ramoutar. By taking conduct of the matter, the Office of the Attorney General assumed full conduct. It was the Office of the Attorney General that engaged Varun Debideen.

Essentially I would like to stop for a moment and just compare to what happens in-house. Petrotrin's Legal Department has in-house management of all litigation, arbitration, et cetera, that actually occur. In fact, in my capacity as general counsel for Petrotrin, I have had internal conduct of both arbitrations, in respect of the GTL matter and also the SDNY litigation, which is the Southern District of New York litigation which started in the federal district court in the US. In those matters, Petrotrin in-house would actually meet with witnesses; we would take proofs, which is statements from witnesses. We would actually revise pleadings. We would review all documents that were provided or that were drafted by New York counsel. So therefore we take a very active part. It is managing the litigation portfolio. However, in respect of Malcolm Jones matter, it was the Office of the Attorney General that hired counsel in this matter.

Petrotrin's legal department had no interaction with the Office of the Attorney General in the handling of the Malcolm Jones matter. The first interaction or communication that we had from counsel was in July2015, when Varun Debideen, I believe, wrote us asking for documents which were the witness statements and the tribunal awards in both arbitrations, because Malcolm Jones' attorneys had made a request, an application for disclosure of those documents. Because there is legal professional privilege, those attorneys are on record for Petrotrin, we supplied those documents to counsel. Those documents were reviewed, and we next heard from counsel I believe some time in November or December, at which point in time he said an order was made for disclosure and that Petrotrin was now required to identify who would be the witnesses in this matter.

That was difficult for us because we were unable to file our witness statements. Petrotrin had never been involved in this matter; we did not even know what were the claims before the court. We requested those documentation from Varun Debideen, and I said to him quite clearly that we needed to get those documents in order to identify who those witnesses are. In response, Mr. Debideen claimed privilege. He said that he had been engaged by the Office of the Attorney General and he could not give those documents to Petrotrin. In my capacity as Senior Manager Law and Land Management, I reminded Mr. Debideen that he is on record for Petrotrin and he could not claim privilege against his client.

At that point in time we were really between a rock and a hard place, to put it that way, because we were unable to file our witness statements. We did not know who the witnesses were. In an effort to meet the obligations and not to waste the court's time, I contacted the Attorney General's Office, seeing that counsel on record was refusing to respond to our requests. I contacted the Office of the Attorney General and asked whether he could intervene. At that time point in time, we had an all-counsel meeting. At that all-counsel meeting, Mr.Debideen agreed to withdraw his application, to come off that matter.

In his affidavit—and we have provided all those documents to you—Mr. Debideen claimed that he was unable to received instructions from us. Our counsel, Sharon Morris-Cummings, went on record and did file an affidavit in which we said we were unable to provide information because we were not getting any of the documentation from counsel. And therefore we were really hamstrung in providing those witness statements, identifying those witness statements.

In dealing with the litigation and the two arbitrations, I have said that in-house counsel would actually meet with witnesses, we would take proofs of statements. So had we been involved we would have known who those witnesses were, and as it was we were really not in a position to identify the witnesses. The trial was imminent. The trial was in February, I believe, and Mr.Debideen eventually requested an adjournment, an extension of time to file those witness statements in court.

I do not know if that sufficiently answers your question.

Mr. Chairman: If you permit me, I just want to be clear. What you are saying is that this action began outside of Petrotrin's ambit?

Ms. Maraj-Adharsingh: It began outside of Petrotrin's legal department's conduct.

Mr. Chairman: And that the first contact with Petrotrin on this was in July2015?

Ms. Maraj-Adharsingh: July 2015 when we were written to provide the documentation in respect of the arbitrations, to the best of my knowledge.

Mr. Chairman: And the counsel on record, Varun Debideen, who is supposedly on Petrotrin's side, was not able to provide the information that you requested. He is your counsel on record?

Ms. Maraj-Adharsingh: Yes.

Mr. Chairman: Thank you. I just wanted to get it clear in my mind to make sure I am following you.

Ms. Maraj-Adharsingh: He did eventually provide documents to the Attorney General's Office. He provided a dossier, and I would say that he did provide us with a link when we kept pressing him, but that link, those documents were illegible. We really did not have the documents.

Mr. Chairman: Okay, thank you. Continue.

Ms. Maraj-Adharsingh: You had asked the second question, the composition of the board, and I have given you that.

The alternate Chairman at the meeting—in accordance with the bye-laws of Petrotrin, the company, an alternate Chairman was appointed and that was Leonard Prescott.

The cost lost I am unable to give you an indication of the fees. I would have to get that information and supply it. The rationale—could you repeat that question please?

Mr. Mark: I had asked what was the rationale used for determining the decision to discontinue the matter.

Ms. Maraj-Adharsingh: As indicated at the last session of this honourable

Committee, the attorney, the Queen's Counsel in the matter who had given the initial opinion, he, upon looking at the witness statements and the decisions in both arbitrations, gave a further opinion, and we have supplied the decision of the board to this honourable Committee. The opinion was, in essence, that having looked at what had transpired in the arbitrations it was really not a case. It did not seem to be a case of negligence.

I wanted to add further, we have supplied the arbitral award of both arbitrations, the ICC and the LCIA arbitrations, and the reason that we can do that is when we were in the process of enforcing the judgments in the Southern District of New York courts we filed those awards. Those awards were made available to the honourable Committee. The awards really speak to the evidence that was led, and the awards are public documents. The awards talk of the evidence that was led; they talk of the pleadings and they have the findings. Those awards were looked at along with the witness statements.

Mr. Mark: I also asked, Mr. Chairman, if you could provide this Committee with the names and positions of the other persons who constituted this particular meeting that Mr.Leonard chaired.

Ms. Maraj-Adharsingh: The persons, yes, it was the rest of the board members, save and accept the Chairman of the board, Andrew Jupiter.

Mr. Chairman: Thank you. I now give the floor to Miss Baksh; you have the floor.

Miss Baksh: Thank you, Mr. Chairman. Pleasant good morning to the Petrotrin team and representatives from the Ministry.

Given the dismal outlook for crude and product prices as well as Petrotrin's current challenging financial situation, it would seem as though cash for capital projects in the coming years would be difficult to source. As you have rightly identified, increasing production and reserves is a key strategic imperative. Has any serious consideration been given towards attracting increased private capital to E&P operations? Specifically, can you provide a response to the following: There are areas of land that have remained idle for several years? When was the last time that a company did an acreage rationalization plan? How many idle wells are there onshore that can be brought on production by a low cost operator?

Mr. Awah: Through you, Mr. Chairman, and to the hon. Committee member. Your point is certainly well noted. As of November2015, when we looked at our acreage portfolio we decided that it is absolutely necessary to do just what you have indicated. We have a large acreage indeed. I have the numbers here in terms of the overall acreage. The actual number is in excess of one million acres of acreage both land and offshore. Certainly we are reviewing our position with respect to the overall asset management, from a reservoir standpoint in particular, because as you are aware we have quite a number of private partnerships existing in terms of lease-outs, farm-outs, incremental production sharing contracts and joint ventures. We are of the belief that from a reservoir management standpoint that is not being done as well as it should be, because we know from a volumetric standpoint there are quite a number of barrels in place, and certainly we have not been able to have that recovery that we so desire.

There are a lot of idle wells, as you indicated, and there is a lot of idle space to play in, and we believe if we do a proper study in terms of our assets from various standpoints, which will be from an economic standpoint, from a reserve standpoint, and of course from a technology access standpoint, there is much benefit to be derived from allowing different partners with different skills to play in that asset basin. But first of all we really have to do that study, that evaluation and we have embarked on that. From there we would be deciding the strategy in terms of how we go forward. Certainly it has to be done in an economic profile and an outlook, and we know that there are operators that are able to bring, as I said, capital technology to the table, especially in a brownfield, stripper type field operation that we have.

Miss Baksh: Thank you very much. Are there any other innovative programmes being considered for attracting private capital to the E&P operations? My understanding is that a Petrotrin team visited Colombia within the last two years to gain insights into what the State company, Ecopetrol, I think, did to increase production and reserves via private capital. Can we have a sight of a copy of the team's report and specifically the recommendations that should be adopted by Petrotrin?

Mr. Awah: Certainly, through you, Mr. Chairman, we could definitely provide a report on that particular visit. Yes, indeed, a team did visit Ecopetrol, and simply because as we all know Colombia is one of those countries that have been able to grow reserves and production significantly in a short space of time. There were quite a number of reforms that were done, including private capital and, of course, their own type operations that we are able to use.

So this project as it were was called the "mature field rejuvenation", and it had to do with bringing private capital. The payment structure would have been on incremental oil added and, of course, there was ownership back to us in terms of operating the field.

Since then the oil prices have significantly declined, and we have been in concert and conversation with these companies and quite a number of those contracts are being renegotiated at this time because again where the oil price is. So we have sort of put a little hold on it in terms of going forward with that particular approach and that model. We believe though that there is space for private capital to play, along with technology, but in terms of that, the specifics of that model we are revisiting. Certainly we are going forward; we are looking at that. Notwithstanding that, we are also looking at our internal owned operations in terms of streamlining them to make sure they are efficient. So we want to have a balanced playing field and a very robust, sustainable playing field moving forward.

Those are the recommendations. We have been in conversation again with some of the other major players that have been involved in those types of contracts, and we are again learning from them and we are seeking to do just that as we move forward, because we certainly believe that there is room for private capital. There is room for our own capital in terms of developing reserves and production based on the risks that are involved.

Miss Baksh: Thank you. I do look forward to your report. My other question to you is: what is the status of the Jubilee field production? There was much fanfare and celebration when this was announced in 2012, and promises of significant new production in three years. It is now four years, and?

Mr. Awah: Yes, Jubilee is a field that we recorded as being discovered just a couple of years ago. What was important about that discovery it was in an area of heavy oil, traditional heavy oil production, and there was a light oil discovery. Further to that there has been significant work in terms of understanding the extent of this light oil reservoir, and in addition understanding the entire business of heavy oil production.

Since that we have done some technical work subsurface and there is a need for quite a lot of appraisal drilling to be done, because as you would appreciate the geology is quite complex in those areas. Some preliminary work that has been done would have indicated that it is quite faulted, so even that light oil reservoir, there are some questions that we still have to ask ourselves in terms of the extent and the volumes that we can produce from a very economic standpoint.

We are in no means a technology leader in terms of heavy oil production and as such we believe that we need to find a suitable partner from a capital and from a technology standpoint to be able to provide the way forward in terms of how we develop the field. I think we have to also understand that from a refinery consumption standpoint we have to understand clearly what the diet of an oil refinery is to be able to monetize that and bring that to the fore in an economic way.

So the work is being done, notwithstanding from a portfolio standpoint and from available capital. There are some changes in terms of focus because we have some projects that are sort of imminent in terms of delivery for increased production, but it is in no way, as we indicated earlier on, from an overall asset management from the land and from the offshore acreage, we have to relook at our strategies in that regard and make the right decisions. But what would drive the Jubilee in particular, of course, are capital and technology to be able to recover the heavy oil reserves in the area.

11.00 a.m.

Mr. Chairman: Just allow me, Senator. I have been asked to acknowledge the presence of Mr. Daniel James who is the Clerk of the House of Assembly of Dominica who is observing today's proceedings. Mr. James is the Clerk of the House and he is on an attachment to our Parliament and he is observing the processes of our Parliament. So I would like to acknowledge again Mr. Daniel James, the Clerk of the House of the Assembly of Dominica. Thank you for joining us and you may proceed, Senator.

Miss Baksh: So we are moving forward, Mr. Vice-President? We are moving forward with the project?

Mr. Awah: As I have said, we are looking again, the portfolio, and it is an asset that is available for exploitation of reserves but in terms of a priority we are looking at some other areas in the field. We have done a lot more work in terms of subsurface modelling, field development and at this time with this price going after those types of reserves could be very challenging from an initial investments standpoint. Certainly from the technologies out there that we want to bring it to bear and more than likely, as I said, as we look at the portfolio from a risk with capital, technology, et cetera, a suitable partner will be needed to go after those reserves, bearing in mind fully understanding the diet of the refinery also.

Miss Baksh: Thank you very much.

Mr. Awah: Okay. You are welcome.

Mr. Karim: Thank you, Mr. Chairman. Mr. Chairman, I would like to direct these two questions along the lines of my colleague, Sen. Mark. First of all, given this debacle that we are now looking at and the withdrawal of the lawsuit against Mr. Jones, are we yet to know of any more contingent liabilities that we have not been yet told or are there any unforeseen or unknown to us at this point in time that we need to prepare ourselves for?

Secondly, from the experience of the past and reading about this company and its predecessor, persons have been known to be prosecuted or persecuted for much less amounts of money in terms of errors that were made deliberately or otherwise. To what extend this $2 billion debacle that we are looking at here would have impacted and affected the continued viability of Petrotrin since the decision was made contrary to good advice by very many? It appears that it was a single, unilateral decision. That is what the public domain is being treated to. So if you could address those two questions, please.

Ms. Maraj-Adharsingh: In respect of your first question you asked: whether there was any contingent liability? And by that I interpret that, meaning any other legal matters. That is another—we have some live issues at the moment, ongoing matters which Petrotrin's board will also need to consider in lifting of—whether it wishes to lift a legal professional privilege. Because when you lift legal professional privilege, you will be exposed to all other actions in respect of this matter, arising from the same facts as they were. Your second question is, I believe, more for the president to answer.

Mr. Harewood: Mr. Chairman, through you, indeed we have had a number of issues within Petrotrin. And I think it is clear to everyone that there are a number of legacies within Petrotrin and we are at the point of refocusing the company on the business model that I had articulated at the start of presentation, and we want to focus on our business and attempt to carry the company forward. There are issues that need to be properly dealt with and be examined and as we continue to examine the company where those issues pop up—and I want to suggest to you that the GTL plant is not the only debacle within Petrotrin, there are some of more recent vintage. For instance, the way our South West Soldado development was handled and all of those things are being examined. And where they offer us the opportunity to seek redress for what we consider to be errant decisions, we will do that. And that is fundamentally the approach we are taking. We are being very open minded. We are looking at what has happened in the past and examining the business, but we are keeping our eyes very focused on our business model going forward to ensure the sustainability and survival of the entity that is Petrotrin in the path going forward. So we have not dropped the ball on either of those two objectives.

Mr. Karim: Mr. Chairman, and president, I did not mean to be facetious in terms of the importance of all the matters, but I was really getting to the point where I was asking: to what extent this decision that was made in 2007 would have affected immediately thereafter the financial viability of the organization? Even to the extent today it seems it is in difficult position to reposition itself even within the context of the business model?

Mr. Harewood: Mr. Chairman, again it is difficult for me to lay the claim only on GTL and I think it is important to understand that. We detailed at the last occasion a significant cost impact as a result of the GTL project, that we continue to treat with as we attempt to bring some closure to that activity that predated as 2005 or even before that, when the decision was made. There have been a lot of things that have happened subsequent to that that continue to create challenges for the organization. We have had the GOP project, the ULSD project, we have had the South West Soldado development. There are a number of issues that continue to bedevil this company. Could we say that that particular one has encumbered the company? Our view is that all of them acting in concert over the last few years have brought us to a place where we feel challenged and we think we need to now focus significantly on our efforts going forward.

And I did not interpret your comment to be facetious in any way. I am simply just reinforcing the fact that we are keeping our eyes on everything. We are keeping our eyes on running the organization and keeping the focus on that, and as we continue to examine the operations of the company where there are issues that have reared their heads and things have cropped up that require us to address, we will be addressing those things. But we are not operating, to use a local parlance, vaille-que-vaille. We are trying to be very deliberate and we are reviewing our business operations. And where we have unearthed, through whether it is formal audits or through our own investigations, actions and decisions that we think are inimical to the survival of the company, we will take action on those actions and some of those are actually under consideration at this time.

Mr. Karim: Thank you, Mr. Chairman. Just a final one. How will you rate the WGTL project in terms of the magnitude of this misinvestment compared to the others in the history of Petrotrin?

Mr. Harewood: Chairman, I suggest that that is an unfair question to pose to us. Right? This is a serious matter. We have established that in no uncertain terms. We have established in the past considerations on the submissions that we have made, this has cost us a lot of funds, but this is a matter that is on its tail end, if you will, in terms of us trying to bring some closure to it. There are other matters in front of us that are very significant. Do you ask me, do I rate those as significant? They are extremely significant because they occupy us now and they impair us now.

In the case of GTL, we ring-fenced that activity to some extent. We have taken a lot of actions over the last few years and we have come to a point now where we are trying to bring some closure to that activity. As a matter of fact, we kind of want to see what happens in the future because we still want to be able to protect our interest going forward. But there other items that are now in front of us that I consider to be much more demanding and much more risk, if you will, to the vulnerability of the company and to the survival of the company, and that is where we are focusing our attention. It does not mean that we are not on the focus with respect to GTL because we are not dropping the ball on anything, but we are just simply saying that there are some that are a lot more current, unfortunately, that comes after that that requires as much attention as we have been doing with GTL.

Mr. Chairman: Sen. Henry.

Mr. Henry: Good morning everyone. I would just like to follow up on that issue raised by member Karim. You keep saying that there are other issues that are more important and one in particular you mentioned in the current scenario was the South West Soldado development. Could you elaborate on that? I mean, what were some of the issues involved? And overall, what are some of the current challenges that you are alluding to that we have not elaborated on to the extent of the GTL issue?

Mr. Harewood: All right. This one, Mr. Chairman, I think it is fair to say that this one, there is indeed a significant amount of sub judice items with respect to this one. Nonetheless, the South West Soldado development, and the Senator asked about Jubilee a while ago, but the South West Soldado development is a development that we had targeted as a company to allow us to be able to make significant improvements or equity production within Petrotrin. It is a project that dates to, may be as far back as 2005 or even the years before that, as may be the 1990s, as a matter of fact, if you go back as far enough. But the recent issues that have occurred with respect to the execution of that project that, as you know, are very public and were involved in the public domain in terms of newspaper articles, et cetera. Those items are now being investigated and some of those items are actually before the legal authorities and therefore, becomes sub judice to some extent, so I really do not want to get into too much details in what we are doing now. But that is a project that has certainly challenged us in terms of its execution and put significant drain upon the operations of the company as we try to bring resolution to it to go forward.

Mr. Chairman: Thank you very much for your responses, Mr. President. I have a couple easy questions now, if you would permit the Chair? I have been advised—in your submission you indicated that the annual administrative reports for the period 2008 to 2014 have been submitted, but we do not seem to have them here. So could you—perhaps the Ministry of Energy and Energy Industries could assist also in responding. You submitted it, I suppose, to the Ministry of Energy and Energy Industries. Would the Permanent Secretary of the Ministry of Energy and Energy Industries be able to help where is the status of those in terms of their laying in the Parliament?

Mr. Lashley: Thank you, Chair. The subject of another meeting that we had in this place regarding the submission of annual reports, we followed up on that matter and, in fact, Petrotrin is accurate in terms of their submission of the documentation. As you know the documents then have to go through the process of going to the Cabinet and laying in the House. We are in that process right now and we expect the report to be submitted by Petrotrin and others state entities. So I am just confirming the fact that they have submitted all the reports that are required of them.

Mr. Chairman: Thank you very much, Mr. Permanent Secretary. I know that is an issue that is engaging the Committee also and we are happy to hear that Petrotrin is virtually up to date with their submissions.

I have another easy question, Mr. President. I want to refer to a report or a comment by the previous Minister of Energy in the *Hansard* with the Parliament in 2014, where he was responding to questions regarding deficiencies in Petrotrin's operations identified by the Ministry of Energy. And I want to quote from the *Hansard* of April 02, 2014, where the then Minister of Energy and Energy Affairs advised that in the year 2011 deficiencies brought forward from 2010 were 966 and new deficiencies that were observed by the Ministry in that year were 2,085. In 2011, 1,193 were brought forward and 1,858 and so it goes.

So we are in a situation where it seems that the Ministry of Energy and Energy Industries' inspection unit is going out and identifying deficiencies, and Petrotrin is struggling to come to respond fully to the deficiencies regarding. I only have data up to 2013 where it is saying that they have 1,923 outstanding from the previous year. So that it might sound like a big number and I have some experience with this, but I think it is a number that is out there, that the company is having some operational issues regarding responding to the Ministry's request. And part of the response to that was that there was this facilities audit plan along those lines. I would like to get an update on where that is so that we could understand the company's ability to rectify the deficiencies identified by the Ministry of Energy and Energy Affairs' petroleum inspectorate unit?

Mr. Harewood: Thank you, Mr. Chairman. And maybe it is very useful that you raised that because when we are asked, what is our greatest pain, it is not so much the past things, but the ones that are in front of us. Petrotrin has a serious asset integrity challenge. A lot of it from legacy issues as you will appreciate, both in our refining, as well as in our Exploration and Production Division, and we have had a number of incidents in the past related to that. We are continuing to review the audit responses, if you will, that come from various Ministries including the Ministry of Energy and Energy Industries, as well as Occupational Safety and Health Authority, as well as others like the EMA, et cetera.

With respect to the specific item that you have raised about the facilities audit, that facilities audit was initiated by the Ministry of Energy and they had used DNV as the provider for a number of state enterprises. A presentation on the results of that was made just a month ago, and we attended and heard the various submissions, if you will, from DNV, with respect to their assessment of the state of asset integrity throughout the industry and included the many state enterprises, including Petrotrin.

We have deliberated on those findings, if you will, and we are at the point where we will be pursuing a separate audience with DNV to specifically review the Petrotrin results. Because their mandate then was to do the entire state sector and the companies in Trinidad and Tobago. And we have decided that we will pursue them to have a download, if you will, of the information related to Petrotrin specifically and the areas that we can focus our improvement. Notwithstanding that, we continued with our own asset integrity improvement efforts. Of course, there is a significant need for investment in that area and our approach with respect to capital financing, et cetera, is completely tied to our ability to deal with some of those issues that are in front of us.

Mr. Chairman: Thank you very much, Mr. President. The Chairman has one additional question at this point in time, and it has to do with the release of FCCU catalyst and perhaps for the records it is fluid catalytic cracking unit. There was an incident in November, I believe, of last year, where there was an upset condition at the unit and it ended up with a white powdery substance being deposited in Marabella. And that in the response to this, the hon. Minister of Energy and Energy Industries, the current one, responded in the Parliament that Petrotrin has indicated that all affected persons had been documented and a whole series of actions had been taken.

My question is around the composition of what was emitted. I am not a chemical engineer so I am not going to claim any chemical engineering degree, I leave that for the Permanent Secretary, Minister of Energy and Energy Industries. But FCC catalyst contains several chemicals that are deleterious to human health, one of those is something called vanadium. And to the extent that we recognize that these incidents, this incident has happened, I would like to understand what remedial action, what testing was done? Because I have probably done too much reading and I have seen where there have been other FCC upsets in other places, and one of the other concern is the extent to which residents have been exposed to vanadium and other chemicals that are deleterious to health.

Vanadium is a naturally occurring item, but prolonged or extreme exposure can have long-term health effects. So I would like to understand from the company whether or not when it completed its work on this exercise, was there testing? Were individuals who were affected, was there testing done for vanadium and other chemicals? And in terms of the clean-up work, because vanadium ended up all over the place. What entailed in the clean-up work? If vanadium gets into the soil, whatever comes out of the soil is going to be impregnated with it. So that my question is at two levels: did Petrotrin commit, indicate an independent lab analysis of what was emitted? And then two, in terms of the potential effects on people's health, what were the actions taken by Petrotrin to make sure that the residents in this fence line community were properly protected?

Mr. Barden: Chairman, due to the nature of the event, the majority of the material emitted was more of a fresh catalyst variety rather than the normal circulating inventory. Part of the operations at Petrotrin are that we hydrotreat the FCC feed which means there is a significant reduction in the vanadium content of the oil that goes to our unit compared to a unit that does not hydrotreat the feed.

So the levels of vanadium in the catalyst emitted were, in the context of the refining industry, relatively low. Throughout the clean-up, we invited all of those individuals who felt that they may have suffered ill effects to present themselves and we treated with those accordingly. As you stated, I think, Mr. Chairman, essentially vanadium is not an acute poison, it is a chronic poison and we are comfortable that the community of Marabella has not suffered any chronic ill effects.

Mr. Chairman: Thank you very much. Sen. Mark. You wanted my attention?

Mr. Mark: Thank you, Mr. Chairman. I have some questions dealing with the post receivership cost. When does the company, that is Petrotrin, intend to complete its advancement of funds to the receiver? I think, is it PricewaterhouseCoopers? Who is the receiver of the WGTL? Because we got some figures the last time, Mr. President. I do not know if this is unprecedented, but it was around US $55million and climbing. I think that is the figure I recall if my memory does not fail me, but that is the figure I recall.

I also would like you to confirm when and how a breach in contract was detected and what was the immediate action taken in this issue of the receivership or the receiver? I also would like you to bring this Committee up to speed with the status of the sale of the GTL plant assets and what is the cost at which the company is proposing to sell these assets at? I know you had given us some figure when you had first come, but between then and now things may have changed and you may want to apprise us.

Could you confirm again who is the proposed buyer and were there any other proposed buyers or are we still stuck with one buyer? Was the proposal for the sale of assets advertised and tendered so that the company could maximise on the sale of these assets, obtain value for money and salvage some funds? Is the proposed deal with the proposed buyer NiQuan the best option for treating with the disposal of the assets? And are there any other options to which Petrotrin has given consideration and could you explain in this regard? These are some of the clarifications I would like to have on these matters, Mr. Chairman, through you.

Mr. Harewood: Mr. Chairman, thank you. Let me just deal with the larger question of post receiver cost, if you will. And again, context is important and we spent a lot of time at the last session detailing, if you will, the sequence of events with respect to this facility. But more importantly we identified that in 2009, the activity for construction of that plant and the completion of the facility went into receivership. Petrotrin as debenture holder who would have then acquired loan would have placed the facility into receivership. The receiver, PricewaterhouseCoopers, through Mr. Hackett, became the fully autonomous person with respect to trying to complete the facility in the first instance. We need to remember that, because when we talk about post receivership cost, a significant amount of the cost, and we detailed that in the recent submission we just gave which was another example of the completeness of our submissions. I could not help that, Mr. Chairman.

But in that submission we indicated, if you look at the first few years, 2009, 2010 and even into 2011, a lot of the cost was related to trying to complete the construction of the facility. It was at the point where it became evident that completing the construction of the facility became futile, that the decision was then made to attempt to sell the facility and the receiver's mandate as receiver would have then moved into the point of trying to sell the facility. The receiver executed his process with respect to advertising the facility, and it was tendered and the receiver would have received bids and the receiver would have evaluated those bids and made the recommendations to Petrotrin with respect to the proposed purchase, and that was to NiQuan Energy which is where we are today.

Again, as I recapped at the last meeting, the board had given conditional approval for the sale of the facility to NiQuan Energy. As you have identified in your subsequent question thereafter, and the idea is, we are at the point now where we are attempting with the receiver to bring closure to that sale. There are a number of procedural items that are required for us to sign off on that documentation, and also there are a number of procedural items and agreements that are required to be enacted, if you will, and executed before the closing of the deal is finalized. And that process is where we are at this point in time.

Mr. Mark: Any time frame, Mr. President, as to when you believe closure would be brought to bear on this particular project in terms of getting the sale, finalizing whatever final cost the project would be sold at or the plant? Do we have any specific timeline? For example, are we saying that by the end of December 2016, that particular project, whatever state it is in, would be disposed of, and if you have to get, as you have indicated earlier, US $35million with $10 million coming in cash and $25 million coming in—I think it is preferential shares? Even my memory fails me. Do you anticipate that by the end of this year that would be concluded?

Mr. Harewood: Thank you, Mr. Chairman. Again, let me just state that we are working with the receiver on this matter. This matter, there are many aspects to it, if you will, in order to bring final closure. There is the aspect of the actual sign off of the sale and purchase agreement, but the actual closure of the transaction, there are a number of conditions precedent and prerequisites that are required to be completed and the expectation, I think, within the documentation and the language is that it allows for at least 18 months to two years to allow for the closure of those matters to finalize the closure of this deal. So that is what is ahead of us.

We are at the point where we are working with the receiver and having conversations with him about bringing the first part of that activity, if you will, to trigger it, which is the signing of the sale and purchase agreement which we expect to happen soon. And the receiver will really apprise us as to his timeline with respect to that. We have detailed to him our expectations in terms of what is required according to the agreement to be put in place, and what we understand to be the items for closure. And he is negotiating and liaising with the prospective purchaser. And our expectation is that thereafter once we have signed, we will then be moving, again under the guise of the receiver, to bring to closure to the transaction.

Mr. Mark: May I also ask the President if he could provide in writing, because remember, I think, at the last hearing you did indicate that no estimates were available for the number of contractors and employees who would have been impacted upon by the reductions in your cost as you seek to become more efficient in your operations. Could you provide us in writing the number of contractors and employees who have been dismissed in the past 10 years? Is that that too long for you or you would want to give us the last five years? But I am saying, if you could provide it in writing. You do not have to answer it immediately because I know you would not have that information. So could you provide, through the Chair, in writing the number of contractors and employees who have been dismissed in the past 10 years for this Joint Select Committee?

Mr. Chairman: Thank you very much. MP Leonce, you have the floor.

Mr. Harewood: Chairman, if I could?

Mr. Chairman: You may be uncertain as to the request.

Mr. Harewood: Yes.

Mr. Chairman: So that we, the Committee will clean it up and the Secretariat will communicate with you in writing. So do not panic.

Mr. Harewood: Thank you very much, Sir. I hate to be accused of the same thing again, Sir.

Mr. Chairman: Well I appreciate that. Remember the Committee is—we are kind of sitting opposite each other, but we are on the same side, because we are on the side of Trinidad and Tobago, Mr. President.

Mr. Harewood: Thank you.

Mr. Chairman: At the end of the day this is a cooperative effort between the Committee and the company to seek the best interest of the people of Trinidad and Tobago.

Mr. Harewood: Agreed.

Mr. Chairman: So I appreciate that we will make sure that it is crystal clear and you will receive it in a way in which it allows for easy response.

Mr. Harewood: Thank you, Mr. Chairman.

Mr. Chairman: No problem. MP Leonce, you have the floor.

11.30 a.m.

Mr. Leonce: Thank you so much, Chair. I just want to make a general comment and, maybe, out of the comment will come a question. Now, we are here because we understand how critical the operations of Petrotrin are to the country, and the economic performance of the country. And, something you said earlier it troubles me in that the questions you were asking, you said that you all were coming to a close, but more importantly there are several other issues that are, in your view, paramount. The country is anxious to know, these issues that are coming up, these deals that have failed, who was accountable for it? And, what is going to happen? But more importantly, following up on member Mark's comment in terms of a time line, these new issues that arise, how long would it take for us to get a real handle on the full problems that Petrotrin is in basically?

Because, I am not sure if you understand what I am getting at. Things are coming up in parts, and I understand now, I applaud the commitment that your team has in terms of trying to close these areas off, and bring a resolution, and move forward in terms of improving the operations. But, it is almost as though there is not a sense of what is the real scope and size of the issues that the entity has—can you shed some light on that, please?

Mr. Harewood: Thank you, Mr. Chairman. I go back to my first statement about Petrotrin being an integrated oil company. So, from where we sit as a leadership team, we have crystallized our activities, if you will, around a few key areas that, if you will, we can summarize the challenges that we face.

The first is, of course, our safety performance. We are not happy with our safety performance. We think that we have had a number of issues in the past; we have had fatalities, we have had a significant number of lost-time injuries; we have a frequency rate that suggests that we should be expecting at least 20-something persons being injured every year. We think that that is unacceptable for this business. We think that that is going to affect our ability to run the company in the future. So, we are very, very focused on improving our safety performance, and we have identified that we need to push beyond compliance culture within the company, and put mechanisms in place to make that happen. So, there is a focus with respect to that.

We have identified as well that our asset integrity is in a poor state, and that the company is basically operating in an environment where except for some of the plants that have been recently built in the refinery, we are running with some very old infrastructure and old facilities, and we are challenged with our asset integrity, and we have no assurance around asset integrity. Each day we are concerned about what is in front of us, and we are concerned whether or not we will hear that something has leaked or something has caused a failure, or a rupture, or a damage.

So asset integrity is a big issue for us. It is a huge issue when we are working on establishing our asset integrity management systems and our procedures, but at the end of the day we are also documenting and detailing, if you will, our cost expectations with respect to the expenditure related to that, and it is huge. It is significant. It is certainly more than $5 million to get us to a point where we can make the requirements to get us up to scratch. It is also an issue that demands of us how we manage the entity, because to deal with some of the asset integrity issues, we have to also recognize that we have operating facilities in play, but we still have to deal with the asset integrity issues. And then we have to figure out how to keep the business going.

So, I have talked about two so far, and the third for us is to run as a very profitable business because, at the end of the day, that is what we are here for and we intend to bring value back to the organization. So, for us being able to recognize good margins, and the Senator in her early questions prefaced it by the fact that we are in a period where the oil prices are lower for longer, and our refinery margins are also lower, which is something that we do not seem to appreciate—that we are getting hit with a double whammy.

So, while we are experiencing low crude prices we are also experiencing depressed refinery margins, which is affecting the revenue generation capability of the company. But, interestingly, and I want to pay full commendations to the refinery team, we are at a point today where our refinery is doing far better than we have ever experienced in a long time. And, as recent as this morning the refinery was doing 165,000 barrels per day. For the month of March we produced as much as 153,000 barrels per day of refined products, and we were able to sell 154,000 barrels per day of refined products. So, that is for us a bright spot to suggesting to us that with diligence, and hard work, and really focus on the business, we can turn the business into a profitable entity. So, we are doing that.

But, then we have a fourth challenge in front of us, and that is our people and our competence. And, we look throughout the organization, we have seen that we have significant challenges with respect to the adequacy and the competence within the company, and we are seeing leaks, and we are seeing challenges in key areas. Areas that are critical for us as a business, both in our refining areas and as well as our exploration and production areas. We are also looking ahead and seeing that just based on the normal attrition that occurs within the organization, we will continue to lose some of those competencies. So, for us being able to deal with that in terms of succession planning, which apparently was never done for the last few years, and not focused on in a real way, in our view, in a way to give us the results where today we feel impaired and unconcerned about that.

We are focusing our efforts on what we need to do to get the optimum organization going forward, and what sort of competencies we need to build. And then we have also identified that we need to ensure that technology—you heard the VP talk about if we are to go after certain land acreages and marine acreages to get the value out of them, we need to apply the appropriate technology. So, we have decided that we want to have sort of a holistic approach to how we deploy technology throughout the company.

All that is our strategic focus, because that is what we think is going to keep the business sustainable. Along the way we are faced with the challenges, as you have put it, of the initiatives that have been modelled, if you will, and corrupted with practices and behaviours that are less than honest, and would have not conformed to what we expect to be good corporate governance, and we have to deal with that.

So, we are also examining those issues simultaneously, and where they require due diligence, they require us to go in and examine appropriately and to get the right support in terms of audit reports, et cetera, and for us to take action. So, we are not being willing to just move off the cuff with respect to those things and speak out of turn. We have been doing our homework, and I want to assure you that we will treat with the issues where they show their heads with respect to poor performance, and where we have seen activities that we consider to be less than in the best interest of the company in the past. We will bring that to the fore, and we will treat with those issues, because we are not dropping the ball on those things. We will keep the business sustainable, but we will also treat with the past performances that have been not what we would like it to be. And that is the message we want to leave with the country, and with entities like this.

We are not here just to deal with a 2005 issue and to try to rectify issues. Some people think that we are only on management to try to protect others from the past. That is not our objective. We have a business to run, safety performance that is beyond compliance, asset integrity that we feel assured about, a profitable business enterprise and the competent people to run the business, with technology that is deployed appropriately to carry us forward. That is our focus. And we have been focusing our management team, and our professionals, and our stakeholders, and trying to get us to that place. We have been meeting with all our stakeholders, including our unions, and talking about those issues. Because, for us it is extremely important to have people buy-in into the vision and to work with us, and it is going to take a while, because we are coming from a bad place.

We are coming from a place where there has been a lot of neglect and degradation in the past. And we are refocusing the business, and we really would need the space and the time to turn it around because it is not going to happen overnight. And many times people have made interjections in Petrotrin in the past, almost with a desire, if you will, to flip it around in six months or so, and we have heard those stories. That will not happen, because this is a huge entity. This is an entity that spans, as you heard the chairman talk the last time, acreages throughout this country, and it is a huge and important entity of about $42 billion in assets. And we really need to find the time and use due diligence, and good corporate governance, and good management practices to run it as a business and a company, and that is our focus.

Mr. Karim: Thank you, Mr. Chairman. Mr. President, throughout your answers this morning you have made reference to your improved business model which you seek to accomplish, and more recently you just spoke about five key pillars for attention. You did remind us as well that as of this morning you had 165,000 barrels per day. Can you tell us whether that is an increase in the local crude? Or, can I ask it in the other way, what percentage of that 165,000 continues to be local crude versus your imported crude? Secondly, and contingent with that, do you have any plans to increase your lease-operator farm-out programme to so increase? It may have been asked in another way earlier on this morning.

I have a few questions after this, subsequent to—particularly with respect to item No. 4, your people and competence, I want to raise. But, if you could address those two in the meantime. Thanks.

Mr. Harewood: Thank you, Mr. Chairman. Our crude production, what we like to call our equity crude production which really includes land, our joint venture partners as well as our marine acreage, averages around 45,000 barrels per day, or in some—last month or so, it was more like around 43 or so. So, that is kind of where our equity crude production comes from, and the rest we purchase as crude purchases to get our refinery throughput. And that has been the traditional model of the refinery, even in the hey days when crude production was around 60,000 barrels or so. If you had to get full utilization at the refinery which is now post all the many projects that have happened, in terms of GOP, et cetera, we are now at the point where we can realize the true value of the refinery and the upgrades that took place, and push our refinery performance where we would like it to be. In terms of—what was the second question?—your second item?

Mr. Karim: E&P.

Mr. Harewood: Yes, I think the vice-president of E&P had already addressed that, in that we continue to review the acreage underutilization, and that is a process, and sometimes we need to remember that. Because, again, there is almost an intent, if you will, and a willingness to try to pull us back into the days of the flippant decisions, and we are being very careful to establish processes and due diligence. So, when we talk about how we increase our acreage and that sort of thing, we are going through a process with respect to that. We evaluate, we do the technical studies and then we determine whether or not there is a recommendation we can make to our board with respect to how we treat with that, and that process is ongoing and very active at this point in time.

Mr. Chairman: Thank you. Mr. President, before I give the floor to Sen. Mark, I have a quick question regarding the recent downgrade of government bonds and the downgrades to the Government. Has that affected in any way the company’s plans regarding its own bonds and the strategy that you outlined in the last meeting regarding, perhaps, looking at trying to extend the terms of those bonds. Has the recent downgrades by Moody’s affected anything to do with the company's strategy and how it manages the debt portfolio?

Mr. Harewood: Well, it certainly continues to challenge us. One of the things we are always in the market—really our debt is around three areas. We have long-term debt in terms of the bonds; and we have short-term debt, that is basically around working capital and trade financing. Obviously, the downgrades that have occurred with respect to both Moody’s and S&P, and in some cases we are fortunate that S&P kept our rating as it was in the previous review that they did. If the rating agencies downgrade us, then we experience wider spreads when we go out on the market to borrow.

It also has an issue to do with confidence by the lenders, and sometimes they are concerned about what is happening within the industry and within the country, and based on the level of government support, they determine how much they will advance to us. So far we have been having to have a number of very tough conversations with them, but certainly within the recent few weeks where we have had the rating numbers now out and we have seen some different—I do not want to call it growth, but we have seen a different performance in the market, then we have found that we are able to still go to the lenders and get the required trade financing and working capital to carry us forward.

Mr. Mark: Thank you, Mr. Chair. Is it correct, Mr. President, that the employees of Petrotrin have, as part of their collective agreement with the company a profit-sharing agreement, based upon the profits declared by the company? And, since the inception of the WGTL debacle, Petrotrin has declared losses on its books, and therefore is it correct that as a result of this the employees of Petrotrin were unable to benefit from their profit-sharing plan with the company? And, what would you define or describe as the average loss to the employees as a result of Petrotrin's carrying this loss on their books? This is the first leg of a two-part question I want to put to the President. As I said, you may not have this available to you at this time, but you can probably give us a brief summary and then you can probably place everything in writing.

To Ms. Radica Maraj-Adharsingh, you did indicate to this Committee earlier that the Attorney General's office had complete conduct of this Petrotrin—well, this matter involving WGTL. I have some questions I would like to ask, and you may wish to put it in writing, or you may wish to supply it in a summary form, and to be followed by it being submitted in writing. From the records of Petrotrin, when was the first correspondence with our present Attorney General with respect to this matter issued since September? Because you did indicate—you see, I want to clear my mind, and I think the country would like to clear its mind on this whole matter.

Another question I want to ask is, who was really responsible for the decision of the board of directors to discontinue this matter? When was the first time that the issue of discontinuing this matter considered by the board? When? Who advised the board of directors on this matter? What was the role, if any, of the Attorney General in advising the board of Petrotrin in this matter?

And, I have two final questions that you can look at. Did the board of Petrotrin consider getting a second opinion before making a decision to discontinue this matter? And, if not, why not? And was the advice of the Attorney General to the board written or oral? As I said, these are matters that are troubling the nation, and we would like to have some clarification. You may not be able to provide us with all the answers today, but you may put it in writing, or you may wish to submit for our own consumption at this time, in summary form, your initial reaction.Mr. Chairman, I pause at this time.

Mr. Chairman: Thank you very much. Mr. President.

Mr. Harewood: Mr. Chairman, thank you. I do not know how to say it again, but I will say it, right? That Petrotrin—maybe we can put it in context—is, in terms of its refining operations, there are at least 22 plants at Pointe-a-Pierre, which is a lot, so we run a very large refinery complex. GTL therefore would form one plant, if you will, in that landscape. And, again, if you go back to the time line, I took the time to reiterate at the last time we were here, the GTL facility would have been initiated with a project agreement around 2005. But, even around that time we were moving ahead with our gas optimization project. We were moving ahead, subsequent to that in the years that went on, to our ultra-low sulphur diesel project. We would have initiated a huge capital investment with respect to our South-West Soldado facilities, and the development associated with that.

The point I want to make is that Petrotrin has been involved in a number of activities, all at the same while the market continued to behave how it would with respect to prices, and during that time we also experienced fluctuating refinery uptime and performance. And if you understood the model we started off with, you would appreciate that if we do not have the refinery uptime, then we are not likely to make the kind of profit we have to make. So, to me, for us to suggest that the loss associated with the one project, while all the other projects were going on, is what would have impacted on employees losses is—just to put it in context—we hear the question and certainly we will, if, again, through you, Sir, it comes to us in a manner that we can respond to when we get it in writing, we will certainly make our best efforts to respond to it adequately. But, that is the—

Mr. Chairman: Thank you for the undertaking on that Mr. President. The Committee will clean up the question and we will submit it to you. Minister Antoine.

Brig. Gen. Antoine: Mr. President, in your submission this morning you spoke about challenges in terms of the staff, employees in Petrotrin, and in your submission, I am not too sure whether it is 39 per cent of your leaders are supposed to retire over the next five, or 39 of your leaders are supposed to retire over the next five years, and in terms of your GIT programme you said that out of 483 only 69 graduates were selected. You mentioned your petro-skills and the other programmes—given the state of the economy and the state of unemployment and increased retrenchment within the society, could you just give me a way forward for Petrotrin in terms of manpower and employee issues as the years go by?

Mr. Derrick: Morning again, Chairman. I think we need to look at the context, and the last time we were here the question was asked with respect to competency. Based on the time, based on the challenges, what we have been doing is reviewing the organization competencies against what is expected to deliver. So, in the main and following from the President, what the President means, is that we have identified the two key areas, the upstream and downstream, looked at what is required together with all the support services, including any changes in technology.

Now, we have been looking at our process maps, understanding the fact that we have a number of our highly trained professionals who we will possibly lose in the next five years, and a cadre of young persons based on our graduate training programmes, and there was a lapse period, one, when we did not really get involved in things like apprenticeship graduate trainees, things like that. We have also had, when the industry picks up, we get a fair amount of poaching. So, outside the local poaching, we also had international poaching, so that created some gaps for us. But, what we have been doing is looking at that, looking at what is the gap between the competencies that we need and the competencies that we have, and how much of that we could close by in-house training; how much we could close by—and where the gaps are too far we would have to find persons with some of those competencies that we could close quickly. But, that is where we are.

So, it is an intensive exercise at this point that we are looking at, and we are reviewing the organization, understanding the fact that we need to meet that challenge, and look at reorganizing our resources in-house as far as we could to try to address that; understanding the fact that we could see further changes in the industry. But, we also understand that this is cyclic, and it takes a fairly long time to create an operator in one of those plants, or to create an operator in E&P, or an engineer, or a geoscientist that understands those structures.

So, understanding that, understanding the kind of training needs we have, it is really ensuring that while all this is happening Petrotrin does not take a dip We continue to try to keep the refinery producing at the levels it is refining at this point, and also to ensure that E&P is producing at the levels that we so wish. And, that is basically where we are. We have been able to get acceptance by the board of the top leverage processes, and we are now working those down. We have many of the process maps already and there are now going to be changes in those parts of the company, and there are other areas that we may have technology changes and stuff where we are just now reviewing those descriptions and looking at the training needs. That is the exercise that we are in.

Mr. Chairman: As we begin to wrap up I have two more requests for questions and then we will begin to wrap up. MP Karim, you have the floor.

Mr. Karim: Thank you, Mr. Chairman. Through you, if I can continue the question to Mr. Derrick, through the President. With respect to the competence and the people aspect of it, because you can have a lot of technology and you can have a lot of the process mapping and so on, but if you do not have the required persons to perform the jobs there is going to be a misfit, as it were, a misalignment in terms of what the organization requires and what you have available. I just wanted to ask you whether you can give us some specifics as we speak today in terms of the number of senior or executive positions approved on the org. structure, and how many of those are vacant?

In other words if you had 100 positions that you have approved in your strategic plan or through your process mapping, how many of those are filled, and how many of those you need to fill? And if you can tell us what you plan to do within which period of time. Now, one will argue as well that this is a downturn, you will find that the international scenario impacts upon what you are doing. But, there is another argument, in human resource development, that this might also be an appropriate time for you to engage in investing in people, in training, so that when you require the requisite skills and competencies they will be there as you progress.

Mr. Harewood: Through you, again, Chairman. I think I accept totally what you are saying. At this time we do not have too many gaps in the leadership, but a lot of the persons who are in those leadership positions and who have been acting and are replacements, would exit the organization in around five years. So, what we have is really some gaps, but the time line is short for filling them, and in that case we need to get speed-track training in some cases, because of some of those gaps—

Mr. Karim: Can you give us a sense at to the number?—what that gap really entails.

12.00 noon

Mr. Derrick: Well, we will lose around, estimated 931 persons in the next five years and a significant amount of them would come from some of the key leadership positions.

Mr. Karim: Might you be able to give us a breakdown as to what that could look like?

Mr. Harewood: Senator, we can provide that in writing as a subsequent when we—

Mr. Karim: Okay.

Mr. Chairman: Are you completed with your response?

Mr. Derrick: Sure, if he is comfortable.

Mr. Chairman: Can I ask—

Mr. Karim: Mr. Chairman, can I just make one comment. I am very much aware of the apprenticeship programme, as you know from my previous incarnation. And I recall when I would pass through the refinery, the public road that is, eh, on my way to school, you would have seen in those days the Texaco Trade School which is now replaced by the MIC Institute of Technology and we in fact had signed an agreement with Petrotrin, I think within the last two years or so, in terms of providing apprenticeship type training for persons required on the plant.

There is also another opportunity that we utilized and I do not know if you are utilizing that at all. It is called the WAC, the Workforce Assessment Centre concept, where people may have entered an organization with a certain number of skills and competences but may have acquired more on the job, but may have never been assessed to where they are presently having acquired those competences.

I also know that you have a challenge with the PLIAP and your STOW and you might want to look at that in terms of your success rates and your contracted employees. I know it is really not in the form of a question, but the question should really be, to what extent are you going to be engaging on all of these multifaceted approaches to improving your human resource competency base?

Mr. Derrick: Thank you again, Chairman and hon. MP. I think when you had that transition from the trade schools because you had—most of the organizations at that time had their own trade schools, there were apprenticeship programmes. It was the transition to MIC. I think one of the basic structure of the apprenticeship programme was built, especially the craft apprenticeship, was around a first year of basic training, getting exposure into most of the trades and then around four years onsite training. I do not know that the structure for transitioning from MIC into the company worked well and in that regard persons who came out of MIC did not come into a structured four-year onsite programme that moved them from classroom trade school exposure into actually being able to become tradesmen. And I think it is one of the things that maybe we had missed.

I think the expatriates in the earlier companies understood that our education system at that time turned out a lot of young men around 15 with school leaving and it made them, after a one-year apprenticeship and four years onsite training, tradesmen. I think a lot of things have happened. We have had the introduction of a number of secondary schools that now graduate students with craft training and I think that in some ways we had to play catch-up and our last—our most recent intake of apprentices took some of those things into consideration, in that, there is no longer the need for that first-year trade school type of arrangements because we now have MIC and a number of the secondary schools.

So we are focusing more now on getting the same type of people that you identified as assessors to work with these young people when they come into the organization, young males and females, when they come into the organization to ensure that the training is structured so they could become the kind of tradesmen that we need.

Mr. Karim: I just want to help you with P-L-I-A-P. P-L-I-A-P is a very structured, it is something that we introduced. You might want to take a look at it. It is the Point Lisas Industrial Apprenticeship Programme where in seven years we are expected to turn out approximately 700 of these technicians and graduates who would have been spending considerable time, six months each in six months rotation over a two-year period on the plants and I think Petrotrin is also a part of that. You may want to look at the PLIAP.

Mr. Derrick: Yes, we are part, and we have done some work with that. Additionally, we have done some work with UTT. We now have a model plant in UTT for our operator training. So we have done some work. We have been working with the University of the West Indies. We are working with those institutions so that they could build a lot of training around our professionals so that the institutes could help in terms of closing this gap. We could share a lot of what we are doing with you.

Mr. Chairman: Okay, thank you. Sen. Baksh, you have the floor.

Miss Baksh: Apart from the outstanding funds required for completion of the Ultra-Low Sulphur Diesel Unit, what are the major challenges faced in integrating this plant with the rest of the refinery? We have read in the dailies that this unit may not actually work. If completed the substructure may be prone to earthquake. Can you provide a complete picture of what lies ahead for Petrotrin, inclusive of a full cost benefit analysis on the merits or demerits of completing this project?

Mr. Harewood: Thank you, Mr. Chairman. I will just give a sort of general response and then if the VP finds the need to give more, we can answer. The Ultra-Low Sulphur Diesel facility in our view is important for the future of the refinery. We continue to sell refined products as our main product into our markets and there is a growing requirement for Ultra-Low Sulphur Diesel by our customers, particularly within the region and otherwise.

So for us it is almost, it is a question that answers itself in terms of why we need to have the plant. I do not think we have any concerns about the plant being able to integrate itself within the refinery. That for us—from a process engineering point of view we have very little concerns around that. We think it will integrate itself when it is completed. We have some challenges with the facility during the construction and along the way we have had to challenge, if you will, the structural design associated with that facility inclusive of things like, seismic adequacy, et cetera, and that is what is before us.

We are now doing a very detailed engineering feasibility study of the facility in terms of what is required for it to be completed and our expectation is that when we receive that report we will review it and continue with our activities to complete the facility and have it operational, we think, by the end of 2017, early 2018. In terms of a cost, the cost question will be better answered when we receive the feasibility study. It is important to know that the plant is about 98per cent completed in terms of its physical construction and therefore what is required really is to do this feasibility assessment of our structural design at this point in time, determine what corrective actions need to be done and then complete those corrective actions, commission the plant and bring it on line. And for us we expect that that is going to carry us into the next two years, if you will. Like I said, we have used, end of 2017, early 2018 for that.

In terms of cost, in terms of what it will take to finish that, that will really fall out of the engineering work that is in front of us at this point in time.

Miss Baksh: Okay, my next question deals with the new headquarters building. I know we touched on it the last time. We know that no action is being considered for this structure given the current commodity prices. What happens if prices do not recover for the next couple of years? Are there plans to at least preserve the infrastructure or are we just going to sit by and watch the steel beams rust and fall apart?

Currently, this uncompleted building is an eyesore from the highway and diminishes from what the sense of pride in our state company. Has the company examined other, more innovative ways to complete the structure with minimum cash outlay by Petrotrin and how soon will these plants come into fruition?

Mr. Harewood: Mr. Chairman, certainly we share the view that it is a concern for us that the structure is on our compound and unfinished. But really in the larger context of our priorities we think that the decision to defer further activity on that facility is a valid one at this point in time and certainly one that our board has accepted and we continue to deal with that.

We expect that in another few years we will have to revisit the issue of that facility. We have in the past explored other options in terms of completing it as you have suggested by using partnerships, if you will, and other alternative ways. But given what is the state of the organization at this point in time and I articulated a few minutes ago where our focus areas are at this point in time, we think that that is one that we can reasonably defer and pick up at a future date, and the intent is not that if prices stay low forever we just do nothing about it.

The technical advice seem to suggest that there is not a lot to be done in terms of preservation at this point in time and we have basically, on the basis of that said, we think we have a period in which we can safely allow the facility to stand. And again, I want to reiterate, like you, we too share a sense of disappointment of having to see that facility all the time, especially from the highway, but that is just our reality. We have to be a little bit more pragmatic and go past our feelings as management and leadership and focus on what is important for the company at this point in time.

Again, we think that the five items we have identified and all that is associated with completing projects, such as the ULSD, and also getting production from places like South-West Soldado is our priority area at this point in time.

Miss Baksh: Thank you, Mr. President. Before I close I just have a comment to the Petrotrin team, which is, what should be avoided is throwing good money at bad. Thank you.

Mr. Chairman: Thank you very much, Sen. Baksh. I have one last question, Mr. President, before we start to wind up and it is something that was brought to my attention that I think is worthy of asking.

In your submissions it has been pointed out that there has been a significant escalation in the cost for an item called directors and key management remuneration. When we look at the data provided in your submission from 2006 to now, from 2006 up until about 2012 it was averaging about $6 million to $8 million a year. In 2013 it went to $9 million, in 2014 it went to $11 million and in 2015, key management and directors' remuneration went to $29 million. So we would just like to get an explanation for how it virtually tripled from the average, especially at a time in the context, the frame for the question is that we are in a situation of low oil prices, really difficult situation for the company and we have directors and key management remuneration increasing by almost 300 per cent. So we will like to understand what happened here.

Mr. Harewood: Thank you, Mr. Chairman. We will respond to that in writing. We can always give you that detail and a break out of that cost item.

Mr. Chairman: We will appreciate that. Thank you very much. I think Sen. Mark has one, Sen. Mark—

Mr. Mark: Yeah, one final.

Mr. Chairman: One final question.

Mr. Mark: Mr. President, as the Chairman said earlier in his contribution, we are here to help and not hurt Petrotrin—is one family, we are in the same boat. I would like to ask you if you would like to submit for the consideration of this Committee recommendations to avoid the pitfalls that we have experienced as a company in the last few years and how do we move from what we read in the papers recently, a billion dollars in losses, if that is the fact. I am not too sure. You know sometimes you get misleading information in the newspapers, but I read somewhere Petrotrin lost a billion dollars recently. How would you want us to help Petrotrin, given all the challenges that you are faced with?

How can we work together to assist Petrotrin in avoiding some of the pitfalls that they have experienced. And maybe you can submit to the Chairman on behalf of the Committee some of your thinking and the company's thinking, management, that is, and board, as to how do you go about, how does the company go about reinventing itself, reshaping itself, redefining itself so that Petrotrin could return to the day of being a profitable state entity for Trinidad and Tobago. So I think that you could probably put that in writing and submit same to the Chairman because I think that we want to work with you to see what we can do as a collective to turn around Petrotrin.

Mr. Chairman: Mr. President, it is fine. I want to just start to begin to wrap up by making one final comment before I ask you to give some closing comments. The issue that detained the earlier part of this meeting is one that we do not want the company to forget and I think it was Ms. Adharsingh who indicated that the company has certain obligations and some confidentiality issues. The Parliament is a confidential institution by nature and while we understand you have obligations internationally, we want Petrotrin to also understand that it has obligations to the Parliament and that in your deliberations about what is the next road forward in terms of the information requested by the Committee, I want that to be part of your consideration. We understand fully you have obligations, but you also have an obligation to the Parliament.

So it is something the company may be wrestling with and one of the easiest way to deal with that in my respectful view is that the Committee in terms of any information requested and there are questions, we can have an in camera session to deal with those issues. And there is no issue with, in my respectful view about information coming into the Parliament and ending up elsewhere. That has never happened in my recollection. But I believe that the company has to be very clear in its understanding that as part of your package of obligations one of those key obligations is to the Parliament.

So it is up to the company to work out a strategy to help everyone understand that, yes, we have confidentiality issues, you have obligations, but everyone needs to understand you have multiple obligations. So, Mr. President, with those few closing remarks on my behalf I would like to ask you to give a few closing comments before we can draw this session to a close.

Mr. Harewood: Thank you, Mr. Chairman, and through you, thank you to the other members of the Committee for the questions and the comments that we received this morning. Let me conclude by suggesting to you, first of all extending thanks to my team who is here this morning and for the work that they have done in preparing for this session and the one before that and for the hard work they have done. We missed our chairman who is not here with us but we understand that he is also involve in other activities.

Let me say to you quickly, and certainly if I can, as I close to address that burning question that the Senator just raised about the perceived loss of Petrotrin last year. Petrotrin is not immune, if you will, to what is happening in the world market, and some of us seemed to forget that other oil companies have suffered downgrades and have suffered losses given this very strange crude market and oil market that we are in at this point in time. It is very strange. It has not responded to what happened in Doha a few weeks ago and everybody is still surprised at the level of where prices are at and nobody can explain it.

So we are going through a very difficult time. Last year in particular Petrotrin would have felt the brunt of what would have been a very precipitous fall in prices from when we started our financial year to when we completed our financial year.

During that period we would have also been bringing a lot of plants on line after the work has been done on GOP. And so our refinery is not as what it has been for the last four months. So we would have found that we would have not been able to produce the revenue required and therefore we would have experienced a lost. If you look back at the life of the company there have been periods when during capital investment and construction in our refinery, in particular, and given fallen prices, we have experienced losses. But there are also periods, and that is what keeps us focused, where the prices are buoyant and when our facilities are utilized to the fullest extent possible where this company continues to create value to this country through its ability to generate revenue, cash and profit, and also allow us to meet our obligations to the state in terms of our taxes and fees et cetera and continue to the development of Trinidad and Tobago.

Petrotrin does not need prompting to develop a new strategic plan. This deliberation that we responded to were based on a 2014 to 2019 strategic plan as you asked us in your responses. We are at the point of completing a revised strategic plan that will look to the period 2016 to 2020. It will be discussed with our board, it will be presented to our line Ministry and to the members of the shareholders and representatives through various committees, et cetera. We will seek buy-in from our various stakeholders including our unions and other stakeholders and our intent is to chart a part forward that is very focused, and focused on the five items I mentioned to you already: beyond compliance in our safety culture, achieving and ensuring asset integrity, running the company as a profitable business, dealing with our competencies with our people and deploying the appropriate technology.

We will build on that and we will become a sustainable business enterprise for this country. The more we can educate and show people how this business runs, the greater understanding there is as to what is happening in the oil market and what are our advantages as an integrated oil company. We think the greater people are able to support us and to provide the required support to see us successful. That is all we ask. We ask for an understanding of our context and we ask for tolerance to allow us to ride through the bad times and support us through the good times. There are issues around corporate governance that we have returned this organization to focus on and for that we ask no apologies because we think it is important that we leave a legacy that is not dependant on who sits in the chair but how the business is run. And for us leaving proper procedures on the way we run the business is extremely important so that five or 10 years from now when another Petrotrin president and team appears before a Committee such as yourself, they can account for good performance and not be going back on past mistakes, but because we would have established a platform for sustainability.

That is our mission; that is our focus. We want to thank you for giving us the time to explain to you what we are doing. We trust that through this mechanism more people understand what we are doing at Petrotrin. We do not conduct our business in the public but certainly we like to educate people as to what we do and how we operate and we want to give the commitment that remain very focus in ensuring the sustainability and survivability of this company going forward. Thank you.

Mr. Chairman: Thank you, Mr. President, and thank you to your team for once again coming to this Committee and being very forthcoming with your responses, both verbally and in paper. I want to thank the representatives of the Ministry of Energy and Energy Affairs for attending with us today. I want to thank the media, the observers in the public gallery and the viewing and listening audiences in all the various formats that the Parliament has and I would like to say that this meeting is now adjourned. Thank you.

12.22 p.m.: *Meeting adjourned*.