

Leave of Absence

Friday, January 22, 1999

HOUSE OF REPRESENTATIVES

Friday, January 22, 1999

The House met at 1.32 p.m.

PRAYERS

[MR. SPEAKER *in the Chair*]

LEAVE OF ABSENCE

Mr. Speaker: Hon. Members, I wish to advise that I have received communication from four Members of this honourable House who have asked to be excused from today's sitting. They are: the Leader of the Opposition, the Member for San Fernando East; the Member for St. Joseph who is out of the jurisdiction on official business; the Member for Toco/Manzanilla who is not well; and the Member for Nariva who is in the country but engaged in some other official duties that have prevented him from being here today. Leave of absence is granted to them.

ORAL ANSWERS TO QUESTIONS

Mr. Speaker: Hon. Members, now that we are at this item, I advise that there have been discussions between both sides of the House and it has been agreed that Question No. 11 would be deferred to a later stage of the proceedings.

I now call on the Member for Diego Martin West with respect to Question No. 11.

The following question stood on the order paper in the name of Dr. Keith Rowley (Diego Martin West):

**Mr. Ken Soodhoo's Employment
(Minister's Report)**

- (a) Would the Prime Minister provide this House with a copy of the Minister of Energy's report to him on the employment of Mr. Ken Soodhoo as a consultant at the National Petroleum Marketing Company Ltd.?
- (b) If the answer to (a) is in the affirmative, would the Prime Minister state exactly when this report would be made available to the House?

Question, by leave, deferred to a later stage of the proceedings.

**National Petroleum Marketing Company Limited
(Pre-qualification)**

12. Dr. Keith Rowley (Diego Martin West) asked The Minister of Energy and Energy Industries:

- (a) Did the National Petroleum Marketing Company Limited evaluate and pre-qualify contractors for its service station upgrade and construction programme?
- (b) Could the Minister identify all the local companies which were pre-qualified as having the capability to execute the works as required?
- (c) Could the Minister state the name of the company which received the award of the contract and the price at which it was awarded?
- (d) If the company which received the contract was not the lowest bidder, would the Minister identify the lowest tenderers and their submissions and state the justification for their rejection?

The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar): Mr. Speaker, yes, the invitation notice to pre-qualify for engineering, procurement and construction works for the service station and network upgrades was published six times in the local newspapers during the period February 18–27, 1998, and with a closing deadline of March 18, 1998.

Seventy one companies and joint ventures responded, and following a detailed evaluation process five were pre-qualified.

The names of the pre-qualified companies/joint ventures are as follows:

- (a) General Earthmover Limited
- (b) Hafeez Karamath Construction Limited
- (c) Home Construction Limited
- (d) NH International (Caribbean Limited), and
- (e) Rainbow Construction Limited and Petropac Inc. (Joint venture).

The contract for the Gasparillo and Richmond Street service stations was awarded to the lowest evaluated bidder, Rainbow Construction Limited and Petropac Inc. at a price of TT \$8 million.

The joint venture that was awarded the contract was not the lowest bidder. The two lower bidders for the Gasparillo and Richmond Street stations are as follows:

Hafeez Karamath Construction Limited	TT \$7,464,127.00
NH International (Caribbean Limited)	TT \$6,253,286.00

The Evaluation Procedure outlined in the invitation to bid documents under clause 2.13.1 of the instructions to bidders clearly stated:

"...In order to assure the successful achievement of its goal under Package A, Company will weigh **both** the non-commercial and commercial contents of the BIDDER'S proposal during the COMPANY'S evaluation efforts. The **first** step in the evaluation procedure will be to evaluate only the non-commercial offerings submitted by all of the BIDDERS. Those BIDDERS whose non-commercial offerings are deemed by COMPANY as being unsatisfactory **may not** be further considered..."

The non-commercial bid aspects were also clearly stated in clause 2.13.2 as follows:

"In order to provide COMPANY with adequate bases on which to evaluate the non-commercial portion of Bids, following is a list of aspects the BIDDER is required to address in his non-commercial bid documents.

These are further described in clause 2.19.2

Criterion (Weight)

1. Office Project Organization and Personnel (1.5)
2. Field Organization and Personnel (1.0)
3. Project Execution Plans for the following: (4.0)
 - a. Engineering
 - b. Environmental Assessments
 - c. Procurement (Including Purchasing, Expediting, Inspection, Traffic, Etc.)
 - d. Construction
 - e. Start-up and Commissioning, Test Run, if applicable
 - f. Project Control (Including Change Control)
 - g. Project Progress Measurement, Monitoring and Reporting
4. Proposed Project Master Schedule (0.9)
5. Manpower Loading Plan (0.5)

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| 6. Manpower Availability | (0.5) |
| 7. Quality Assurance/Quality Control Plan(s) | (0.5) |
| 8. Safety Plan | (0.3) |
| 9. Use of Subcontractors | (0.5) |
| 10. Construction Equipment Planned WORK | (0.3) |

Prior to Bid opening it was decided that bidders would be required to achieve a minimum of 50 out of 100 points in order to be considered further in the evaluation process. The evaluation team comprised the following:

Mr. Luke McSween	Petrotrin
Mr. Anthony Mathura	Petrotrin
Mr. Sheldon Gomez	Petrotrin
Mr. Eddie Sinanan	Petrotrin
Mr. Glenn Roberts	NP
Mr. Louis Drayton	NP
Mr. Denny Soodhoo	NP

Based on the non-commercial evaluation the following points were awarded:

<u>Companies</u>	<u>Points</u>
General Earthmovers Limited	74.20
Hafeez Karamath Construction Limited	34.20
NH International (Caribbean Limited)	24.50
Rainbow Construction Limited and Petropac Inc. (Joint Venture)	50.35
Home Construction Limited	Declined to bid.

With respect to the lower bidders, NH International (Caribbean Limited) and Hafeez Karamath Construction Limited, a breakdown of the points awarded is shown below:

Item

- 1) Office Project Organization and personnel, maximum points 15. Points awarded to NH Caribbean International, 5; points awarded to Hafeez Karamath, 7.1;
- 2) Field Organization and Personnel, maximum points 10. Points awarded to NH Caribbean International, 2.2; points awarded to Hafeez Karamath 6.7;
- 3) Project Execution Plans, total points to be awarded 40. Points awarded to NH Caribbean International, 8.25; Hafeez Karamath 6.2;
- 4) Proposed Project Master Schedule. Points awarded to NH Caribbean International, 2.35; Hafeez Karamath 2.5;
- 5) Manpower Loading Plan, maximum points 5. Points awarded to NH Caribbean International, 0.0; Hafeez Karamath Construction, 2;
- 6) Manpower Availability, maximum points 5. Points awarded to NH Caribbean International, 2; Hafeez Karamath, 0;
- 7) QA/QC Plan(s), maximum points 5. Points awarded to NH Caribbean International, 0; Hafeez Karamath, 2;
- 8) Safety Plan, maximum points 3. Points awarded to NH Caribbean International, 0; Hafeez Karamath Construction Limited, 2.8;
- 9) Use of Subcontractors, maximum points 5. Points awarded to NH Caribbean International, 3.25; Hafeez Karamath Construction Limited, 2;
- 10) Construction Equipment Planned for work, maximum points to be awarded, 3. Points awarded to NH Caribbean International, 1.5; Hafeez Karamath Construction Limited, 2.9.

The total points awarded out of 100—NH International, 24.5 points; Hafeez Karamath Construction Limited, 34.2.

The philosophy of using a non-commercial evaluation was to ascertain:

- 1) whether the bidder fully understand the scope of the project;
- 2) whether the bidder has the technical capability to perform the work;
- 3) whether the bidder has the human resources and equipment to do the job;

Mr. Speaker, it should be noted that the evaluation process was approved by the National Petroleum Marketing Company Tenders Committee which comprised a member of the Central Tenders Board.

Dr. Rowley: A supplemental, Mr. Speaker. Could the Minister indicate with respect to the awarded contract whether there is a penalty?

Sen. The Hon. F. Gangar: Yes—I do not have the exact answer here—but if my memory serves me right, I think it is TT \$10,000. That is what my recollection is.

Dr. Rowley: Is it the intention of NP to enforce the penalty clause?

Sen. The Hon. F. Gangar: Yes, it is the intention of NP to enforce it if necessary.

**INNCOGEN
(UNSATISFACTORY AGREEMENT)**

[Second Day]

Order read for resuming adjourned debate on question [December 11, 1998]

BE IT RESOLVED, that this honourable House condemns the unsatisfactory manner in which the Trinidad and Tobago Electricity Company (TTEC) entered into an agreement with the firm InncoGen for the supply of electricity by InncoGen to TTEC—[*Interruption*]

Mr. Speaker: I am having difficulty because of loud talk from some Members.

Hon. Members: Sorry, Sir.

BE IT FURTHER RESOLVED, that this agreement be voided and that the choice of the provider of the electricity requirement of TTEC be made through the system of public tender."

Question again proposed.

Mr. Speaker: Hon. Members, the Member for Caroni East was on his legs when the adjournment was taken and he does, in fact, have some 15 minute more.

The Minister of Public Utilities (Hon. Ganga Singh): Mr. Speaker, on the last occasion, prior to the adjournment, I was outlining the chronology of events, because this Motion brought by the hon. Member for Diego Martin Central deals with the issue of process. I would indicate to this honourable House, the lengthy process by which this agreement was arrived at.

1.45 p.m.

Mr. Speaker, to continue the chronology and the chronicle of the events. On September 30, 1997 the Chairman of T&TEC, Mr. Michael Mansoor and members

of the T&TEC negotiating team met with me, the hon. Minister of Public Utilities, to provide an update on the negotiating process. Because of the various technical issues involved, T&TEC was requested on that occasion to make a presentation to the Energy Sub-Committee of Cabinet, chaired by Minister Finbar Gangar and comprising my Cabinet colleagues, the hon. Attorney General, the hon. Minister of Foreign Affairs, the hon. Minister of Finance, the hon. Minister of Trade and Industry and Consumer Affairs, the hon. Minister of Planning and Development, amongst others. This meeting was held on October 7, 1997 with members of the board of T&TEC and its negotiating team in attendance.

At that meeting with the energy sub-committee, T&TEC sought guidance on three major issues.

The Trinidad and Tobago Electricity Commission needed a government guarantee in case T&TEC was unable to meet its commitment on time to pay for the purchase of electricity.

The energy sub-committee noted the precarious financial situation of T&TEC and, in particular, the net deficits recorded for the years 1995 and 1996; 1995 of TT \$130.9 million and 1996 of TT \$76.2 million. Under these circumstances, any organization wanting to do major business with T&TEC would seek some form of guarantee to ensure payment. The energy sub-committee also noted that similar guarantee was provided for in the government implementation agreement between T&TEC and PowerGen.

Mr. Speaker, government-backed power purchase agreements are very common in the utilities sector in the emerging markets. It is found that government guarantees are prevalent, especially in Asia, the Middle East and North Africa.

My research has indicated that explicit government support is customary in the following countries:—Egypt, India, Morocco, Pakistan, Philippines, the People's Republic of China, Thailand, Tunisia and the United Arab Emirates. This is not, by any means, an all-inclusive list. Clearly, the hon. Member for Diego Martin Central is not up-to-date in terms of what is happening in the emerging utilities sector in the global market.

With respect to the second issue, as to whether or not InnerCob's projects ought to be included in the power purchase agreement, the energy sub-committee of Cabinet was of the view that having regard to T&TEC's timetable for the delivery of power on-line by September 1999 and, having regard to the lead time

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required to meet that deadline, it was not appropriate to include references to the four projects in the power purchase agreement.

Further, before other projects would have different ownership status and financing arrangements, the decision of the energy sub-committee of Cabinet was to de-link and give the other projects the time for them to crystallize. The energy sub-committee also noted that InnerCob Industries Limited had already signed an IOU with Tidco and had entered into an agreement with Caroni (1975) Limited for the establishment of these four plants. What the energy sub-committee demonstrated was that through its technical advisory group, through the breadth of experience from bringing projects to this country, there was need for flexibility, having regard to T&TEC's on-time delivery of power. That decision was crystallized in the Cabinet Note.

With respect to the third issue raised by T&TEC before the energy sub-committee, that is to say, a request by InnCogen for certain fiscal incentives under the Fiscal Incentives Act, the energy sub-committee recommended that InnCogen should negotiate these incentives through the appropriate government channels and that should not form part of the power purchase agreement.

These three major issues and the decisions and recommendation of the energy sub-committee were crystallized in a Cabinet decision on October 16, 1997.

To continue the chronology, on December 4, 1997, T&TEC sent the Ministry of Public Utilities a copy of a letter from CitiBank dated December 3, 1997, presenting a financial evaluation of InnCogen's power generation project. On February 4, 1998, T&TEC's board, at its 802nd meeting, approved the draft PPA. On February 6, 1998, I announced in Parliament that on Thursday, February 5, 1998 Cabinet had authorized T&TEC to sign the negotiating power purchase agreement which the hon. Member for Diego Martin Central read and which I also read.

After lengthy negotiations, the power purchase agreement was executed by T&TEC and InnCogen on February 12, 1998. As I indicated earlier, it would bring several benefits to the country including savings of \$189 million over the period 1999—2008; the acquisition of a cheaper power—23.4 per cent cheaper; enhanced reliability; greater efficiency; increased competition; and greater opportunities for employment.

Clearly, Mr. Speaker, T&TEC deserves the congratulations of this honourable House. That part of the resolution which seeks to void the agreement, is therefore of no relevance but, for the avoidance as to the legality of this agreement, I wish to

read into the records the opinion of the hon. Attorney General dated August 4, 1998.

Mr. Imbert: Was that not private?

Hon. G. Singh: Mr. Speaker, I wish to read from page 2 of this opinion.

“Having considered the Power Purchase Agreement, the Consent and Agreement and the other documents and having regard to the relevant Laws of the Republic of Trinidad and Tobago, I am pleased to advise that in my opinion:—

- (a) The Trinidad and Tobago Electricity Commission (‘T&TEC’), acting through its Deputy Chairman, Devanand B. Ramlal, and its General Manager, Stanley P. O. Ottley, has full power and authority to enter into, to execute and deliver the Power Purchase Agreement and the Consent and Agreement and to perform and comply with the terms and conditions of the Power Purchase Agreement and the Consent and Agreement;
- (b) All corporate action required to authorise the execution, delivery and performance by T&TEC of the Power Purchase Agreement and the Consent and Agreement and the transactions contemplated thereby has been taken;
- (c) T&TEC has the power and is authorized to carry out the transactions contemplated by the Power Purchase Agreement and the Consent and Agreement;
- (d) All actions, conditions and things required by the Laws of the Republic of Trinidad and Tobago to be taken, fulfilled and done in order:—
 - (i) to enable T&TEC to perform its obligations under the Power Purchase Agreement and the Consent and Agreement; and
 - (ii) to ensure the obligations of T&TEC under the Power Purchase Agreement and the Consent and Agreement are valid, legally binding and enforceable in accordance with their respective terms, have been taken, fulfilled and done.
- (e) Cabinet, having authorised the Minister of Public Utilities to approve the Order made by T&TEC whereby InnCOGEN, Limited was declared to be an approved generator of electricity on the 10th day of February 1998 and also having authorised the Minister of Public Utilities to consent to the purchase of energy by T&TEC from InnCOGEN, Limited and to

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approve of and consent to the right of InnCOGEN, Limited to generate energy by written approval and consents both dated the 10th day of February, 1998...”

Mr. Hart: Nobody is hearing what you are saying. You are talking so fast.

Hon. G. Singh: I have a time constraint.

“(f) All legislative, administrative and Governmental action required to authorise the execution, delivery and performance by T&TEC and InnCOGEN, Limited of the Power Purchase Agreement and the Consent and Agreement and the transactions contemplated thereby have been taken except to the extent of actions which, by the terms thereof, are to be taken at a later time.

(g) The execution and delivery of the Power Purchase Agreement and Consent and Agreement and the performance of the Power Purchase Agreement and the Consent and Agreement and the transactions contemplated therein by T&TEC does not and will not contravene or conflict with any of the terms, conditions or provisions of the Constitution and the other Laws of the Republic of Trinidad and Tobago.”

So, Mr. Speaker, you see the legality is well established—

Mrs. Robinson-Regis: No. He cannot see. He cannot even understand what you are saying.

Hon. G. Singh: as to the terms of this agreement, therefore, the Motion falls flat on its face.

Because of the limitation of time, I want to go on to deal with the other issue raised by the hon. Member for Diego Martin Central as to the whole issue of fiscal incentives.

Mr. Speaker, PowerGen was a sale of assets—49 per cent—therefore, SCI Amoco bought into a growing concern by paying \$71.6 million; another US \$35 million was to maintain an upgrade plant. However, I am advised there is no evidence that this US \$35 million ever came into the country. After spending just US \$71.6 million, the PowerGen’s sale of electricity to T&TEC was as follows:

1995—\$425,607,000;

1996—\$457,123,000;

1997—\$495,395,000

In other words, PowerGen made at least TT \$1.2 million on the very first day of operations. What this means is that SCI Amoco did not have to borrow any long-term funds. In the very first year, the sale of electricity accounted for US \$69 million. They could have paid back the US \$71.6 million within two to three years, so PowerGen had no right to even think of a tax holiday. In any case, it was a going concern with no capital injection.

Mr. Speaker, Tidco, in its evaluation of the application of InnCogen Limited for benefits under the Fiscal Incentives Act dated May 12, 1998, after going through the whole process. Criteria—evaluation under FIA; proposed shareholding; directors of the company; location; plant construction; public interest; *ad hoc* exemptions; linkages. They had this to say in terms of recommendations.

- (1) InnCogen Limited be classified as a highly capital intensive enterprise under section 9(2) of the Fiscal Incentives Act, Chap. 85:01.
- (2) InnCogen Limited be declared an approved enterprise and electricity be declared an approved product by an order under section 10(1) of the Fiscal Incentives Act from construction day which is scheduled to commence on July 1, 1998.
- (3) InnCogen Limited be granted under section 10(1) of the Fiscal Incentives Act for ten years from construction day:—
 - (i) Total relief from corporation tax; total relief from customs duties; total relief from income tax on dividends or other distributions other than interests out of profits or gains derived from the manufacture of the approved products during the tax holiday period.
- (4) The above approval be subject to the usual standing terms and application thereto.

That was Tidco's recommendation.

Mr. Speaker, having regard to the kind of time period, what we have here is that there are various institutions. There is Caroni (1975) Limited; there is Tidco; there is Energy Sub-Committee; there is T&TEC; various independent institutions with their own technical support teams looked at this transaction, gave certain recommendations with respect to this transaction and, clearly, this transaction is and was in the national interest.

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Mr. Speaker, it provides savings of \$189 million over the eight-year period. It provided power some 23.4 per cent cheaper than the Power Purchase Agreement provided for enhanced reliability; that the Power Purchase Agreement entered into provided for greater energy efficiency and, thereby, lower fixed cost which will be passed on to the customer; and that the Power Purchase Agreement entered between an InnCogen and T&TEC link provide for the entry of competition into the sector, thus breaking the monopoly, thereby preventing the emergence of rogue enterprising.

I am advised that the other projects will come on stream in the first half of this year and, therefore, what it will do is create more employment, greater investment flows into the country, and further add to the already buoyant economy we have in Trinidad and Tobago. For those reasons, I wish to congratulate T&TEC and condemn the frivolous Motion brought by the Hon. Member for Diego Martin Central.

I thank you very much.

Mr. Speaker: Hon. Members, before we proceed with the debate on this Motion, we will return to item (h) on the Order Paper: Question No. 11 by the Member for Diego Martin West.

ORAL ANSWER TO QUESTION

Report on Ken Soodhoo

11. Dr. Keith Rowley (*Diego Martin West*) asked the hon. Prime Minister:

- (a) Would the Prime Minister provide this House with a copy of the Minister of Energy's report to him on the employment of Mr. Ken Soodhoo as a consultant at the National Petroleum Marketing Company Ltd.?
- (b) If the answer to (a) is in the affirmative, would the Prime Minister state exactly when this report would be made available to the House?

The Prime Minister (Hon. Basdeo Panday): Mr. Speaker, I apologize for not being here when this question was asked. I was at a function with the United States Secretary for Labour. I thank you and honourable Members for deferring it until this time.

The answer to part (a) of the question is, no, the Prime Minister will not provide this House with a copy of the Minister of Energy's report to him on the employment of Mr. Ken Soodhoo as a consultant at the National Petroleum

Company Limited, since the Prime Minister has been advised that the report contains matters that may be libellous to innocent people and I believe that the Government has a responsibility not to use the cloak of parliamentary privilege to injure innocent people. Consequently, no response is necessary to part (b).

Dr. Rowley: Mr. Speaker, I ask the Prime Minister whether the entire report is libellous or if, in fact, only parts are libellous, whether he is prepared to excise those parts and make the non-libellous parts available to a committee of this House?

Hon. B. Panday: If he will indicate to me which parts he wants.

Dr. Rowley: I thought I indicated, Mr. Speaker. I am asking whether the Prime Minister would be prepared to make available to this House the non-libellous parts of the committee's report.

Hon. B. Panday: Mr. Speaker, I have received legal advice both from the Attorney General and an independent source. I wanted to be sure about this and I was told that the document may contain libellous material. It is a document which must be read as a whole. It would make no sense if it is disjointed and disconnected.

Mr. Speaker: Hon. Members, we will return to the item on the agenda, Motion No. 1 and the debate which is in progress.

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Dr. Keith Rowley (Diego Martin West): Mr. Speaker, there are many persons who served in this House over time and very frequently, in referring to their period in the House, they profess their involvement by saying it has been a pleasure or it is a pleasure. Given the conduct of the Government of Trinidad and Tobago today since this UNC group has taken control of our affairs and seeing them perform in front of the Parliament and the nation, I must confess that the experience of facing my fellow citizens on the other side is nothing short of painful. *[Desk thumping]*

My colleague from Diego Martin Central has raised a Motion in this House and just for the benefit of my colleague from Caroni East, I want to make something abundantly clear. Much of what he said in his response to the Motion, in terms of the substance of the need for electricity and the process is not being questioned. The question that the Government has been asked to answer has not been addressed to date. The simple question is: By what process was InnCogen the preferred company to receive this contract arrangement? *[Desk thumping]* That

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is the simple question. It has nothing to do with congratulating T&TEC officers or congratulating anybody. It has to do with answering for a process.

Mr. Speaker, Governments, whoever they are, have certain responsibilities and the basic responsibility of any Government is to service the population's needs. To do that, Governments do two things. They spend money and they facilitate. In doing so, Mr. Speaker, in order to ensure that there is fairness in distribution, cost effectiveness in Government spending and there is control, if not elimination, of corruption, Government should conduct its affairs in a transparent manner by processes which, as we know, over time we have established.

One of those processes is the process of competitive bidding. What that does is ensure that one gets the best price from those who are in position to supply a service, and it also ensures that all of those who could provide the service are given an opportunity to offer their services. Notwithstanding all the gobbledegook from the Minister this afternoon and the others before, what is blatantly clear is that this UNC Government intends—as it is doing now in its fourth year—to violate all standards of process in order to provide for selected people who they favour and to facilitate corruption in so doing. [*Desk thumping*] That is a pattern of behaviour from this Government.

Mr. Speaker, I want to demonstrate using this InnCogen deal how this Government does business violating and facilitating corruption. Before I bring them to this, I will take them to the speech of the Minister who just sat. At page 4 of his speech delivered here in February, as part of the well-crafted groundwork to achieve what they wanted to achieve, he said:

“Bearing in mind the timeframe to work out financial details and to conduct technical feasibility studies, T&TEC has done...by September, 1999.”

The impression he was giving was that there was some time constraint against which T&TEC was working, and that could only have been met by the InnCogen deal and that there is some magical deadline of September 1999. That was to justify the selective bidding process that they used to give InnCogen that contract.

I think there are seven or eight people in this House who were part of the Cabinet in 1992 and one who was part of the Cabinet in 1991; and I refer to my colleague from Tobago West who, incidentally, will be more familiar with this document which is called, *Generation Expansion Planning, 19912010*. This document was done, dated 1990 when the NAR was in Government, so the Member for Tobago West would be familiar with the details of the document.

It also says:

“The capital requirement for the first phase development which should be completed by 1995 is of the order of \$500—\$700 million.”

Mr. Speaker, that was the overriding finding of this document. When we came into Government in 1992 facing this requirement of T&TEC arrived at in this way from the work of the previous Government, we were facing a situation where this country had been in economic decline for eight years.

Cast your mind back, Mr. Speaker. The first period of economic growth in almost a decade in this country took place in 1994, so in 1992, we were facing years of economic decline, but also facing T&TEC with a requirement for \$700 million of new plant required by 1995. What did the Cabinet of 1992 do? We took action to postpone that expenditure because that money was not available. What was the option we pursued? We pursued an option which saw the existing plant being brought into use in such a way by bringing in a joint venture partner to use the existing plant to tide us over, and it has done so from 1992 to today, 1999. So, it has been successful.

We postponed that expenditure for a new plant by the PowerGen arrangement. That was what the PowerGen arrangement was supposed to do. Since there were no funds to fund \$700 million, and economic growth was only going to come in 1994, we found a way of doing that, but T&TEC's work pointed out very clearly—if I go to pages 314 to 319—six options of how T&TEC could go about configuring its plant between the period 1991—1995. But all six options required that by 1996, new plants should be added to T&TEC.

So what happens? Nobody is arguing with that. T&TEC workers do a tremendous job. This document is sound, the policy is clear. We have to add new plant by 1996. The PowerGen arrangement delayed the requirement for a new

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plant; we used the old plant with the joint venture partner, in which T&TEC has a 51 per cent shareholding, to tide us over the period of negative growth, expecting that when the economy goes into positive growth—as it had done in 1994—we would then move towards putting new plant in T&TEC. That is where the story changes.

2.15 p.m.

Mr. Speaker, in November 1995 the Government changes, and what happens? In 1996, the same Minister who tells us about bearing in mind about time frame, the Government did absolutely nothing in 1996. You are not coming here and calling Mike Mansoor's name and everybody's name to give the impression that decent people are involved in the racket. Nothing is further from the truth. The Government did absolutely nothing in 1996. But Trinidad and Tobago Electricity Commission having been exposed to proper process, because I explained to you Mr. Speaker how process is important.

When the Cabinet took the decision to go about the PowerGen type arrangement, a joint venture partner, the Trinidad and Tobago Electricity Commission people, followed with Cabinet guidance the proper procedure, we are going to look for a partner for Trinidad and Tobago Electricity Commission. What did we do? We provided the technical document to a large number of interested companies. I think there were 52 companies that were invited or more. But 52 companies the first cut, because we wanted competition to get the best bid; 52 companies and we got the International Financial Corporation, and a proper accounting firm to follow the process and assist the T&TEC officers through proper process to assess those companies, and from the 52, a short list of 15 was arrived at. Then those 15 made the position clear and from that 15, the process continued, it was short-listed to six and then from six to two and from two to one, the partner which is today the T&TEC's partner with PowerGen. That was a process that was guided by the IFC, and T&TEC knows what good process is, because T&TEC was involved in this process with the PNM Cabinet.

So to come here now and bandy about that T&TEC this and T&TEC that is not going to hide anything because you see Mr. Speaker, I want to present this record and bring it here, because I am talking today for the record. I am not talking for the Government, because the Government has gone beyond recall. [*Desk Thumping*].

I am talking to you, Mr. Speaker, and for the record of *Hansard*, so that in the future when anybody wants to see what took place in Trinidad and Tobago they

A timetable to ensure generation addition by September, 1999”.

This is a T&TEC timetable to ensure what the Minister says he was trying to achieve—additional generation by September, 1999.

Listen to what T&TEC says in this document, on its page 5.

“Given the various constraints outlined, the schedule below list the events which T&TEC must adhere closely to in order to ensure that its customers are well served to September 1999, and to ensure that new capacity is available to the system by that time”.

This document Mr. Speaker, is dated July, 1997. Remember I told you a process was on the way, and the Government did nothing in 1996; but in T&TEC, work had proceeded apace. So that, by July of 1997 T&TEC had drawn up a schedule of work with action to take place between October of 1997, and September of 1999. Listen to what the actions were Mr. Speaker, and this is T&TEC in July of 1997.

“Present to October 1997 obtain a guarantee qualifying co-generator, or negotiate and sign power purchase agreement”

That is one approach. By December, they will do other things. But between August and October, prepare specifications for tender for the participation of independent power purchasers. Understand something, InnCogen as is being put to us today, as is breaking down today is in fact an independent power producer. And while I am on this score, I want to ask the Minister if in fact, InnCogen has applied for a licence and if in fact, that licensed fee has been paid; because under the regulations, a licence fee of 12 cents per kilowatt hour per year is required to be paid by every independent producer. Was that paid? Because no amount of co-generation talk could change the law and regulations because InnCogen is not a co-generator as of today. InnCogen is an independent power producer. [*Desk Thumping*]. Therefore, it is required to pay a licence of over \$2 million to be able to operate.

So, if they tell us that InnCogen is a co-generator and therefore escape the licence clause, that is more corruption and more gravy for InnCogen. [*Desk thumping*].

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So, August to October, T&TEC knows that they can prepare specifications for tender for an independent power producer. November to December, invite public tenders for the selection of an independent power producer.

January to March 1998, assess tenders and negotiate contract with preferred independent power producer.

August to September, 1998 complete engineering designs and cite work for the new power facility. This is to be done by successful independent power producer.

October to September, construction of plant.

End of September, 1999 new power facility to be synchronized on the system, Mr. Speaker.

So you see that everything was in place with a time table that could have been met. To go out for tenders, to evaluate the bids to award contracts, and by the competitive process have an independent producer there by the end of 1999, Mr. Speaker. That is where the magic September of 1999 comes in.

So, T&TEC goes on to say—"T&TEC is looking for a clear directive from Government no later than the 31st July, 1997". And listen to what the directive could be.

1. Enter into negotiations with a named co-generator with a view to formalizing a power purchase agreement.
2. Invite public tenders from companies who are interested in becoming independent power producers.

This could have been done. They wait on the Cabinet. What did the Cabinet do by the Minister's own admission? On 31st July, 1997 instead of instructing T&TEC to go the route that T&TEC knew and had used before with the PowerGen arrangement, the Cabinet derailed this transparent process which is acceptable to the country, and the Cabinet instructed T&TEC to enter into an agreement with InnCogen. That is the kernel of this Motion.*[Desk thumping]*.

So, all the other obfuscation is not for our consumption. We want to know why the Cabinet deviated from this timetable of T&TEC, which would have ensured transparency and competitiveness. So that we would have known that we were getting the best price because when he comes here and says that InnCogen gives us the best price, he is comparing InnCogen with InnCogen. No other company put in a bid.

So, he cannot come and tell us we have got the best price. And to compare InnCogen with PowerGen is a nonsense, because he himself said PowerGen was using the old plant and of course, the costly arrangement in that would be different to a company offering to provide you with power for a new plant. What they should have done was to find out what other potential suppliers would have charged. [*Desk thumping*].

I mean, we are not that stupid in this country. You cannot tell me one person gives you a price of \$10.00 dollars, therefore \$10.00 dollars is the best price; unless you get other bids from other persons. And to add insult to the injury, they tell you they had gone to ALCOTT, Aluminum Corporation of Trinidad and Tobago.

Trinidad and Tobago has no aluminum company, and I would love for them to have one. But, I would be very surprised indeed, if with a glut of aluminum on the world market that somebody comes to Trinidad and without getting the shop and the shopkeeper that we will get a plant in this country.

In any case, at the time when this transaction was taking place, there could have been no realistic expectation to have any aluminum plant supply any power to T&TEC. That is a red herring. And as for Norsk Hydro, Norsk Hydro again was not in the business of supplying power to countries and therefore they knew that was in it.

2.25 p.m.

What they could have done—and what they knew would have worked—was to go out for open bids and see what power producers were available and what prices they were going to charge. They did not do that. [*Desk thumping*]. But Instead, what they do, T&TEC gets off this process , gets off this timetable, and the next thing we know is that the beneficiary of this strange arrangement are fund raisers for the ruling party and house guests of the Prime Minister of Trinidad and Tobago. [*Desk thumping*]. Do you understand? And then you see, Mr. Speaker, they want us to believe that there is nothing wrong with the deal, nothing wrong with it.

When I asked about the process—InnCogen may very well have won the bid; I do not know—but there was no bidding. And when I asked why was the process so brutalized and bastardized, the Prime Minister of Trinidad and Tobago in his typical disgraceful response, chose to bring it down to an issue of race; goes down to the sod-turning ceremony and asked the parties to stand up so we could see

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their race. But, of course, he did not ask the beneficiaries of the company who are hiding their identity in the Cayman Islands, behind secret directorships, governed in the secrecy of Cayman's laws, where the moneys are going to go, they hide in Cayman. But in Trinidad, when you ask the Prime Minister to explain his Government's conduct, he resorts to race and ask people to stand up and let us see who is Black and who is Indian. You understand, Mr. Speaker? That is his same behaviour! The same response I got when I asked him about the Ken Soodhoo/NP affair, he told me if it was voodoo, I would not ask. I was asking: How could a man who was fired from a state bank end up in a state petroleum company the next morning at a fantastic salary to manage \$200m? He tells me if it was voodoo it would have been no issue. The issue still remains. And, in fact, now, more than ever, in today's papers, you will see the construction of the gas stations project is already in great difficulty. [*Desk thumping*]

You would have seen the Minister of Energy and Energy Industries here this afternoon, Mr. Speaker, waffling and obfuscating, talking a batch of gobbledegook right, trying to explain how a contract was awarded for a gas station. But the Prime Minister, when I raised the whole matter in the beginning about the country's management of its finances, he tells me about voodoo and Soodhoo, and then tells my now that these people who are the beneficiaries of this deal, who are hiding behind Cayman Islands protection—front men, carpet bagging front men—can stand up and show their race in Point Lisas. But the deal is so stink, Mr. Speaker, that even the termites in Chin Chin Village are offended. They cut up and eat the Minister's house, so he had to break it down and build a new one. [*Applause*]

You see, the termites in Chin Chin did not have any problem with the house before the InnCogen payment. He did not have a problem with the standards before, Mr. Speaker, but all of a sudden, he has the desire to live in a new house, and the Chairman of T&TEC suddenly has the desire for a new Benz.

Mr. Valley: And everybody else has a new desire for a new house in Tent City.

Dr. K. Rowley: Then, when you ask him to account for the faulty process of governmental action, he gets up here and shouts inanities about PNM Ministers on oil company payroll and that he has gone to the Americans to get them arrested. To this day, no minister, no arrest, no nothing. [*Applause*] But he comes back here this afternoon with the same foolishness about \$35 million cannot be accounted for at T&TEC.

Well I would say, if I have any financial control of any company, and I sell my assets, and you tell me that you cannot account for \$35 million of my assets, I will fire you too. [*Desk thumping*]. But once again, the same kind of approach, throw out some red herring—because the last time when we raised this important matter here, a very important daily newspaper chose to give headline to the statement that some PNM Minister was supposed to be getting some money from some oil company. To this day that irresponsible, unfounded statement has not been proved. And the Minister should apologize to the country and to the Parliament for that statement. [*Desk thumping*]. In fact, I am going to examine to see whether there are avenues to take that to the same Privileges Committee he talks about. [*Desk thumping*]. Because it is one thing to devise a strategy to enrich yourself by governmental action. Because what this Government is doing—note the pattern, Mr. Speaker.

The Government must award contracts, the Government must spend money. But what they are doing is using every opportunity for governmental expenditure to enrich themselves and their friends in an unfair manner. [*Desk thumping*]. When it is not NP, it is the airport; when it is not the airport, it is InnCogen; when it is not InnCogen, it is the Airports Authority, it is NFM.

You see, Mr. Speaker, a pattern—as long as the Government has to do something, it finds one of its friends to offer it—violation of all the basic codes of Government process. This Motion is about process; it is about fairness; it is about equity; it is about corruption and its prevention. That is what the Motion is about, Mr. Speaker. [*Desk thumping*]

And while the Minister's irresponsible statement was making headlines in the *Guardian*, let me tell you what the InnCogen deal does to the people of Trinidad and Tobago. Do you know what it does?

The Government of Trinidad and Tobago, as I outlined, went into the Powergen joint venture, using the generating capacity of T&TEC as a profit centre. I want to say it to the country, every time you hear the name PowerGen, that is our own, we own 51 per cent of it. So whenever they make profits, 51 per cent of it is ours and it goes to T&TEC. T&TEC retains the distribution and the transmission systems, and those are expensive operations. And the profits from the PowerGen generating end were expected to be used to support the transmission and distribution arm of the system.

Mr. Speaker, now that the Government has cut PowerGen out of the loop and has facilitated the creation of InnCogen with a “take or Pay” contract, what it

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means, Mr. Speaker, is that if the Government is to escape paying InnCogen for power not taken, it must take power from InnCogen—all is power. And what that means, is as long as the Government seeks to evade making that payment for power not taken and takes all InnCogen power, it is likely to be taking less power from PowerGen. And that means that PowerGen's profitability is likely to be reduced, and that means that the support funds from PowerGen to T&TEC for its transmission and distribution system would be reduced. And that means that T&TEC's labour force will come under threat. So as we go down the road we expect to see T&TEC looking at its labour force in that way. And I am putting the OWTU on notice today that InnCogen poses a threat to employment in T&TEC in transmission and distribution.

That is not the course approved, the next course available to support T&TEC for moneys not earned from PowerGen is to seek to get higher rates from the consumer. The consumer, you and I, Mr. Speaker, would be asked to pay higher rates to T&TEC, because profits that should normally come from PowerGen—if PowerGen is not being used to its maximum, and insofar as PowerGen is not given the opportunity to grow with the demands, we are going to have to pay increased rates—consumers, domestic houses, business—all of that, because this Government wanted to give a piece of the energy sector, the power-producing part of the energy sector, to selected friends of the ruling party and persons in high office. That is the price! Mr. Speaker, if ever there was a case of demonstrating how corruption has a cost to a country, this is it. Corruption has a cost. And all of us will have to pay for the profits that InnCogen will make.

Mr. Speaker, talking about not going for bids, not only did the Government not go for bids, but the Government provided a kind of support for InnCogen that is hard to understand. If the Government had gone out for open bids, I have no doubt that some company would have come in here and would have offered to build plant for T&TEC without a Government guarantee. But, of course, early in the proceedings, this Government decided to guarantee to the InnCogen beneficiaries, to the tune of US \$150 million.

Now, we were told by the same Minister that the plant should cost \$600million—that is US \$100 million.

2.35 p.m.

The so-called foreign investors who the Prime Minister speaks loudly about—that he is bringing foreign investors—they brought nothing. The only thing they brought was their contact with the Government and they used that contact to get a

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Government guarantee and a take or pay contract. Mr. Speaker, if you had got that contract, you could have done what InnCogen is doing here now. A take or pay contract and a Government guarantee: you go to any bank and your money is there for you.

So the Government gives InnCogen a guarantee. And the InnCogen spokespersons admitted that without the Government guarantee they would not have been able to raise the money. So whereas in the PowerGen case when our process, starting with 50 odd companies, turned up a company—we turned up a company that had sales of, I think it is \$8 billion with 11 million customers, but this Government turns up a company which is basically on the verge of bankruptcy; being facilitated by a facilitator at the Prime Minister's end. This company in the United States is virtually on the verge of bankruptcy.

So the Government, in order to support a \$100 million project, provides a Government guarantee of US \$150 million. Listen to what the money was being used for—the guarantee that we gave to the so-called foreign investor:

InnCOGEN to finance construction of the
Trinidad Project..;"

I am reading here from the Prospectus, *Confidential Offering Circular: York Power Funding (Cayman) Limited*—because you know the real beneficiaries' names are on the books in Cayman Islands, covered in secrecy under the laws of Cayman Islands; so we cannot know who the real beneficiaries are but we know the company: York Power Funding (Cayman) Limited, is the mover here. That is the public profile, and the guarantee, given by this Government.

“(a) approximately \$71 million will be used by InnCOGEN to finance construction of the Trinidad Project;

(b) \$31 million will be used by the Big Spring Guarantor...”

Who is the Big Spring? Is the Treasury of Trinidad and Tobago the Big Spring?

Mrs. Robinson-Regis: Panday.

Dr. K. Rowley: I continue:

“(c) \$15 million will be deposited into the Debt Services Reserve Fund...

(f) the balance will be used for general corporate purposes of York.”

The balance!

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You know what galls me here, Mr. Speaker? Day before yesterday morning I had to go to the Carenage school, which is on the verge of being closed down, because this Government is content to have the boys and girls in space only enough for the girls. In the new school project, not a brick has been laid there since November, 1997; but now, the sewer system in the school yard, with all the boys and the girls, is malfunctioning, stinking up the school and providing a health hazard in an era of cholera alert. The Ministry of Works and Transport comes and digs two holes in the school yard, exposing people's children to health hazard and physical danger, and tells the school principal that they do not have money to fix the stinking sewer in the school yard. But our Government could find money for the balance to be used for York corporate purposes and \$31 million for the Big Spring Guarantor. *[Desk thumping]* I say, Mr. Speaker, if you could find money to give away like this, find money to fix the Carenage cesspit. *[Desk-thumping]* But all they see, Mr. Speaker, is not servicing of the people's needs; all they see is opportunity for corruption.

I say, Mr. Speaker, you see the aplomb with which Government officers get up here and defend the indefensible, thinking:

- if they speak quickly we would not understand;

You saw the pace of the speed this afternoon? *[Laughter]*

- if they throw out names of people who have integrity, they will escape scrutiny;
- if they keep silent, it will go away.
- if they attack...

You know, when the Prime Minister was asked if he pulled strings to give the InnCogen deal to his house guest, you saw every sinew in his neck rising and he vitriolically spit out his venom: "That is insulting"! Do you know what is insulting? Well, I am asking him now—not, if he pulled strings—but why did his Government use rope to tie up this deal for InnCogen? *[Desk thumping]*

Miss Nicholson: The Attorney General did it.

Dr. K. Rowley: Because the response is insulting.

You see, when we asked them for the Attorney General's advice on the airport contract, the Attorney General's advice is privileged; but when he wants to use the Attorney General's advice to justify the corruption in the InnCogen deal, he comes here today to read the same Attorney General's advice.

Miss Nicholson: The Attorney General is under duress.

Dr. K. Rowley: Do you understand? But I say to my friend from Naparima, I know that you are a decent man; I know that you are not part of this [*Desk thumping*] but by your silence and association you are going to be deemed guilty.

Mr. Speaker: The honourable Member must not do anything that could be construed as intimidating the Member for Naparima.

Dr. K. Rowley: He is my friend.

Mr. Speaker: Now, whether or not he is your friend, if you want to address that issue, address me; but to point at him, face him, and turn your back to me, and say that to him, is not the way to do it. Please; it comes over as intimidating.

Dr. K. Rowley: Mr. Speaker, I apologize. I am sure my friend from Naparima, in no way, will take any of my statements other than the warnings and advice of a good friend. In no way is it meant to be intimidation. [*Desk thumping*] And I will extend it to all those on the Government side, who may not be party to, or who may not be beneficiaries of the proceeds of these kinds of things: by your silence and association you are guilty of encouraging malfeasance in public office. [*Desk thumping*]

This Government has, at maximum, 22 months to go. It is going to end, Mr. Speaker! The Government's approaches are: "Nobody could tell us anything". "Nobody could do us anything". I could imagine the chagrin of certain high functionaries in this country who spend their lives crusading against corruption in public office, to sit back and watch the Government of Trinidad and Tobago function in this way. I am saying that if our Constitution does not provide for the President to intervene and say: "Enough is enough!"; then we must change the law, to allow that to happen. [*Desk thumping*] We must change the law, to allow somebody to be able to say to a government like this, "Enough is enough"!

Mr. Speaker, we asked for an inquiry into the airport, we got it. What does the Government do? The Prime Minister asked for a report on NP about Soodoo. What does he do? He comes here this afternoon and tells me that the report is libellous and only he can read libel.

Mr. Speaker, the electricity production in this country is a key part of our economy, because that production of power is an integral part of our social, economic and industrial base—not only in Trinidad and Tobago, but all over the world—but especially here in Trinidad and Tobago, because of the role that our natural gas reserves play in that matter; it is our industrial life blood. And you see

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what has happened is that the possible exponential growth in that power has become a prime target for firms that are reputable and those firms seek to invest in this country. But now, given what is happening in Trinidad and Tobago today, reputable firms are going to have to think twice.

2.45 p.m.

If this is how we do business in this country, people who have any quality, would have to ask whether they want to associate with us. When I spoke about the pattern of behaviour—let us look at what they did with respect to the land deal, because part of this whole InnCogen issue had a component with Caroni (1975) Limited land.

This document describes the head lease where Caroni (1975) Limited land for industrial purposes was made available to Innercob at 40 cents. Mr. Speaker, Caroni (1975) Limited did not deal with InnCogen. What has happened is that, not only did Innercob come from nowhere and get 5 per cent of a company, but that 5 per cent was then encashed for York to own all of InnCogen, and those who held the Innercob 5 per cent shares are now enriched by about \$30 million for having done absolutely nothing, more than pouring a scotch over ice!

They also got something else, an industrial estate at Caroni. They got 80 acres at a very nice price. The InnCogen plant takes up eight acres. They said that they have four more plants to put up. If by any chance or luck, those plants come into being, even after they have used up their space, Innercob would still have tens of acres of land to now make available to other potential users, industrial Caroni (1975) Limited land which Innercob would sublease at the market rate. That much we know! But Innercob gets it from Caroni (1975) Limited as a middle man, for rates way below market.

If you do not believe me, ask yourself, why Caroni (1975) Limited was happy to deal with Norsk Hydro directly, and find out what Norsk Hydro paid for the land in Caroni and compare it to what Innercob paid. When I raised the matter that Caroni (1975) Limited knew how to value its land, because when it wanted to value the land at Kay Donna it knew to ask for a premium of \$380,000 per acre, for \$2 million for five acres of premium land; for land that started out as a cane field, then was a drive-in cinema and now, if it is to be used for housing, Caroni (1975) Limited asked for a premium of \$2 million for eight acres, but for 80 acres, it asked for less, for industrial.

When I raised the matter in a public debate, the ruling party sent its treasurer on the radio to raise their normal mantra: "the PNM used to do it too, is we time

now". They sought to give the impression that the PNM in 1960 gave Max Awon the Kay Donna Drive-in site at a few cents per square foot. The Government's defence to explain why Innercob is getting Caroni (1975) Limited land at pepper corn rate is that in 1960 the PNM gave a PNMite, Max Awon, the Kay Donna site.

Mr. Speaker, you would know, that in 1960 developed land with roads, power and sewer in Valsayn was selling at 25 cents per square foot. Therefore, if the owners of the Kay Donna site had leased at pepper corn rates for an open-space drive-in cinema, that price had nothing to do with Caroni (1975) Limited's business today. What I find interesting—and I would ask the Government to ask the treasurer of the ruling party, whether, in fact, in 1960, the land at Kay Donna was under government control. I seem to recall that those lands were private lands owned by Tate and Lyle. So if Tate and Lyle chose to enter into an arrangement for pepper corn, for parking place for a drive-in cinema, how does that justify the Government today giving away prime industrial land?

They are so deceitful and dishonest in their attempt to cover up corruption that they sent the treasurer of the party on the radio to say that in 1960 the PNM gave Caroni (1975) Limited land to Max Awon.

Mr. Speaker: All this about Max Awon and Tate and Lyle may be very interesting in other contexts, but we should confine ourselves to the TTEC aspect which this Motion really deals with. You tend to go off, notwithstanding it is the same Innercob.

Dr. K. Rowley: Thank you, Mr. Speaker. I made the point only to demonstrate that when the Government is confronted by the fact of its actions it cannot explain to any person who is reasonable, it resorts even to absurdities to defend its corruption.

If we look at the Government's agreement made and entered into with effect from February 1998 between itself and InnCogen, there are a couple of waivers in it which bother me—

Mr. Speaker: The speaking time of the hon. Member has expired.

Motion made, that the hon. Member's speaking time be extended by 30 minutes. [*Mr. K. Valley*]

Question put and agreed to.

Dr. K. Rowley: Thank you, Mr. Speaker, when one looks at the agreement there are some waivers in it. I want the Government to tell me whether it is normal

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to enter into situations like these when you are providing the kind of service that are to be provided.

Page 24 of the agreement, section 6.3.6 states:

"The Government hereby irrevocably waives and agrees not to assert or take advantage of:

(a) the defence of any applicable statute of limitations..."

What exactly has the Government done? This tells me that the Government has agreed if it finds out at any time that something was wrong and its rights were infringed, it would not take advantage of any defence of the statute of limitations.

There is another interesting waiver over here, item (g) which states:

"The Government hereby irrevocably waives and agrees not to assert or take advantage of:

(g) any duty on the part of the Company to disclose to the Government any facts it may now or hereafter know regarding the Commission, the Power Purchase Agreement, this Agreement or the Project."

Why would any government want to have a waiver like that in a document? Suppose tomorrow morning when I appear here to demonstrate, as I have done before in a manner, to show that any official of the Government of Trinidad and Tobago, minister or otherwise, took a bribe on this matter. This Government has taken a position that it would waive all its rights irrevocably, if it finds out anything to do with the Power Purchase Agreement or the project. How does that benefit the people of Trinidad and Tobago?

In fact, on the contrary, serious governments would put in a clause saying that if we find out that anything underhanded had happened, then the contract is voided. [*Desk thumping*] I ask them to look at some of the contracts that we did when we were in government during the period 1992—1996. Let them go to the BWIA and Fertrin contracts and they would see a contract which said that if it comes to knowledge that any improper action was done during the transaction, then the contract becomes illegal.

Instead of doing that, this Government that is guilty of abusing public trust, puts in a contract awarded in the most strange and dubious manner, a clause which says that if the Government finds out at any time that the termite did not really eat the house, [*Laughter*] the Government waives all its rights to endorse what it has found out. This is the Government made up of officials who spent decades in this country going from pillar to post, talking about who corrupt and who are not

corrupt, and corruption and more corruption, it breeds corruption. They are even breeding it in contract form!

Mr. Speaker, I spoke before of a pattern of behaviour, and this InnCogen deal is but a pattern. It was going to be troublesome if it stood alone, but when we look at a similar pattern with the award of contracts at the gas stations, we see the same thing, the same kind of approach, where the process is being guided to the benefit of people who are close to the Government.

The Government had to admit today that it pre-qualified local contractors for those gas stations and that a well-known, highly respected company was the lowest bidder after it pre-qualified. In fact, two companies were lower in the bids. I could name them, because the Minister named them this evening. Hafeez Karamath Construction Limited, a well-known construction company in this country was pre-qualified and put in the lowest bid, but was disqualified. NH Emile Elias, a well-known construction company was pre-qualified, put in the second lowest bid, but was disqualified, and the contract was given to a company known only to the Government, Rainbow Construction.

It was not even the second lowest bidder, but that company—somebody had to pay for the million dollars that the PNM MP got in the East/West corridor. Somebody had to get their money back, and the way to do that was to ensure that a contract was awarded to the tune of \$1 million more than the price. If you look at the NP contracts, each contract for the Gasparillo and Richmond Streets gas stations was given at \$1 million above the next tenderer. Somebody had to pay for the Judas!

Interestingly enough, the Minister told us today that the same Hafeez Karamath who could not qualify to build two gas stations in September, in December of the same year he could qualify to build seven gas stations, [*Laughter*] but the \$1 million had been paid already, and at the appropriate time the cheques would surface and the information would come forth.

The Government of Trinidad and Tobago today is in office by virtue of those two gas stations. It is a gas station Government. [*Desk thumping*] Had that PNM seat not been brought for with that gas station money, this Government would have been out of office long time. [*Desk thumping*] Therefore, it was spawned in corruption, it lives corruption and it would die by corruption politically! [*Desk thumping*] So when they get up to talk about what a wonderful job they are doing, remind them, Mr. Speaker, that they have not explained or justified to us how

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friends, associates and house guests of the Prime Minister, ended up with the power-producing sector of the Trinidad and Tobago economy.

3.00 p.m.

They ended up with a government guarantee where they could raise junk bonds, pay 12 per cent, pay off the debt in 12 years and during that 12 years, the population would be facing increased rates and T&TEC workers would be facing layoffs when the PowerGen contract took place. Let them tell us why our 51 per cent in PowerGen was so brutally stymied by PowerGen not being able to provide the facilities which they gave to InnCogen.

What they have done by this deal is created cash for their friends by ensuring that the 5 per cent paper shares that InnerCob held, were encashed, because to raise the money abroad, Yorke had to be the sole owner of InnCogen and for Yorke to become the sole owner of InnCogen, Yorke had to buy out the InnerCob shares. That is how InnerCob got the shares encashed and Yorke became 100 per cent owner of InnCogen. So, the beneficiaries of that, in and out of the Government, converted worthless paper shares to tens of millions of dollars. Of course, our shareholding, your shareholding and my shareholding in PowerGen suddenly finds a competitor with a contract that says “take or pay”, which means that the first call for power will have to be InnCogen. Look at the position, Mr. Speaker.

We have gone and entered into a “take or pay” contract in this way with InnCogen. The plan is supposed to come on stream in September. PowerGen is providing all our needs right now and has a little reserve left. If there is no significant increase in demand by the end of the year when InnCogen comes on stream, the Government will be required immediately to begin to guarantee and to pay—through T&TEC—InnCogen for the power it will produce, or to pay it for not using it. What is happening on the economic scene? A major power user in this country, ISPAT, has mothballed its new DRI plant and is saying that if the economic situation does not change rapidly, we may also have to mothball another one of the DRI plants.

We had this big expectation about an aluminum smelter. It may or may not come, but what we do know is that it is not here. What we also know is that projects that were in the pipeline, given world stage, the second train of the LNG plant and similar type projects are now up in the air. The point I am making is that the demand and projected growth for power may not materialize by September and here we will have friends of the Government with their “take or pay” contracts saying, “Either we take the power from InnCogen, or you pay us the equivalent”.

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What will T&TEC do then? Will it continue taking the same quantum from PowerGen and pay InnCogen to not produce? Or, will it allow InnCogen to produce and take InnCogen's supply and cut back the requirements from PowerGen? What will it do? These are the scenarios we are facing.

If PowerGen had been allowed to bid and PowerGen had put in the new plant, or some other company that did not have this kind of Government iron-clad guarantee, then whether we bought it or not, we would not have found ourselves in this monkey pants in which the UNC put us today. Mr. Speaker, they are bold enough, when they are out of government and PowerGen begins to have problems and T&TEC begins to have problems with transmission and distribution financing, to go out there on the pavement in the Opposition, to say it is the PNM caused it, through PowerGen. I am putting you on notice, Mr. Speaker, and I am putting the press and the Government on notice that today's record in the Parliament will show that the PNM has alerted this country that some time in the not too distant future, this InnCogen chicken will come home to roost. Understand that. [*Desk thumping*]

This Government has taken a number of initiatives. Every single one that is identifiable is a scandal. Thank God this economy was on a fairly sound footing. They sat back, put it on autopilot and it has been strong enough to be coasting for a while. The Government's major initiative was to buy rice from India; the rice turned into bicycles and split peas. The Government's major initiative was to build an airport; scandal. The Government's major initiative was to provide a power plant for T&TEC; racket. What is the next one to come? Pick any one at random. Computer in schools. Did you hear the story about that, Mr. Speaker?

There is no limit beneath which they will sink. They are racketeering with five cents, ten cents and dollar; every single thing. Because that is how they see Government—opportunity for racketeering. Every single initiative has a question mark over it and the Government has not been able to provide us with any proper explanation because there is none, Mr. Speaker.

There is a pattern here. InnCogen is just part of the “jouvert” band of corruption which is being beaten by this Government. This Government is not serious and, at the end of the day, it is the people of Trinidad and Tobago who will have to pay. They will have to pay.

The Minister comes here to the Parliament and talks about:

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“I want to inform the honourable House and the population that I have requested the assistance of the American Government with a view to invoking the Foreign Corrupt Practices Act.”

Well, I want to inform the Minister that I have informed the people of Trinidad and Tobago to invoke the ballot box on them. [*Desk thumping*] Because only the people can save themselves from these people. They subscribe to no standards. He comes here in his speech and calls the name of a number of people. He does not tell us; in fact, he tries to confuse us that InnCogen is a co-generator. InnCogen can, by no stretch of the imagination, be deemed to be a co-generator. It is an independent power producer. He spoke about them buying excess power. What excess power?

If we look at the T&TEC documents, Mr. Speaker, it would be seen that the T&TEC documents spoke about the InnCogen arrangement and the plant’s needs of 25 megawatts and whatever is left from that, after its own use was consumed, would be sold to T&TEC. Co-generation, yes. That was converted. I will say which option was chosen. If one looks in this document of 1991—2010, the option chosen was the one called “Option B” using 75 megawatt plants. One of those plants of 75 megawatts in 1993; one in 1995; and one in 1999. So, we would have incrementally added one 75 megawatt plant in those years but, having deferred the first two of 1993 and 1995, come 1999, three would be required and that is how this mysterious co-generator ended up providing approximately 230 megawatts, because they are supplying the needs as laid out here in this document. Some pettifogging plant that is not even in existence cannot co-generate and supply 200 megawatts as surplus, so there is no question of co-generation. Stop insulting us. The total needs of the four projects named was less than 30 megawatts. So how the supplier of over 200 megawatts can be deemed to be a co-generator. But that is the Government’s insult to the country.

As I said before, let them continue in the way they are going. The Minister goes on telling us that they spoke to Norsk Hydro and ALCOTT and they said that the September deadline could not be complied with. The Government knew all along that it could not be complied with, so do not tell us about Norsk Hydro aluminum and any aluminum company of Trinidad and Tobago. They do not exist.

Something else I want to challenge, because he keeps talking about praising T&TEC, in this document, the Minister’s speech in Parliament, he tells us:

T&TEC was of the view that InnerCob/InnCogen was best positioned to meet the September deadline for new power generation.”

I want him to tell us: how did T&TEC come to that conclusion? Where and when? Is T&TEC, as majority owner in PowerGen, telling us, by way of the Minister's statement, that it consulted its shareholding in PowerGen and PowerGen agreed that InnCogen was the better deal? Is that what this Government wants us to believe, that our shareholding in PowerGen looked at the situation dispassionately and recommended the competition? Stop insulting us.

Mr. Speaker, another thing he went on to tell us was about the negotiating team and he named some innocent people. These are functionaries in the system. They are not decision makers. None of these people here can balk a Minister's letter. When the letter came from the Minister instructing T&TEC to enter into this deal because the Cabinet was prepared to provide a guarantee, all these persons here were innocent people. Are they expected to fight the Cabinet?

This whole thing has been managed and executed by the Cabinet so to come and quote the Attorney General as saying that T&TEC officials had the legal right to do so and so. Sure. But no T&TEC official would balk a Cabinet that instructed them to do what they have done. We have seen the behaviour of the Government with the award of the contract for construction of the airport. The Government knew it was doing something wrong so Government officials for weeks and months kept telling the country it was NIPDEC that did it, but in this case not even that fig leaf is available to hide their nakedness because the Minister himself he knew that we would come to the Parliament with the issue, in seeking to distract our attention away from it, to tell us it was the Cabinet that instructed T&TEC on July 31 to go the route that it has gone. So, everything that comes out of here was on the instruction of the Cabinet. Stop trying to bring innocent people into the Government's web of corruption.

He talked about:

"InnCogen has indicated its willingness to allow T&TEC a minority participation."

So, having given away the whole shop, the shop is promising a tin of condensed milk. InnCogen is now promising a favour to allow T&TEC minority participation in—

Hon. Member: They have to pay for it?

Dr. K. Rowley: Of course, they have to pay for it.

Hon. Member: Are they not getting it free?

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Dr. K. Rowley: Why does the Government put T&TEC in this position to have to rely on the generosity of InnCogen? It is a Cabinet, it is a Government, but it is worse than that.

3.15 p.m.

Having given the guarantee, the guarantee is so iron clad that even if the Government sells T&TEC tomorrow unto the third and fourth generation of the people of Trinidad and Tobago, we have the guarantee to pay. An iron clad guarantee that even if we dispose of T&TEC or divest it, the new owner will not have the responsibility; the Government which used to own T&TEC will still carry the guarantee. Everything is sold up.

These people have to be the most lucky people in the world. They could stave off a situation where three years ago there were 50-odd companies bidding and now one can get in with no bids. They could have no money and convert paper into cash. They could have a government-owned company that is shut out of the process. They could have poor, bankrupt Caroni signing contractual agreement to ensure that Caroni must make sure that the road between the Innercobe estate and the public road is kept up to standard.

If one buys land, Mr. Speaker, and the main road is away from the land it is one's responsibility to put road to one's land, but not with Caroni and InnCogen. With Caroni and InnCogen, Caroni could underprice its land and then sign a contract to make sure that for the next 30-odd years, the road to InnCogen is maintained at the highest standard. Using whose money? My money and your money from the Treasury, because Caroni spends the Treasury's money, but they can enter into a contract like that.

Then this Government has the unmitigated gall to come here and talk about congratulating T&TEC officers. I want to congratulate T&TEC officers too. T&TEC has a number of fine, highly skilled people and they do a good job. In fact, T&TEC with its partner PowerGen, having been able to supply us with power between 1993 and 1999 without interruptions, I think, should be congratulated, but that has nothing to do with this UNC Government not following a tender process and siphoning off state resources into the hands of friends of the Government. That has nothing to do with T&TEC. It is the political people in the Government who have done that. Do not link that. There is no link between there.

Miss Nicholson: Are you sure they have not used anybody in here yet?

Dr. K. Rowley: Of course. Innocent people have been used at every stage in the proceedings. It is not only here. They try to use the Parliament. They are so bold faced that they sometimes try to use us, the parliamentarians, to endorse their corruption. When they came with the Maritime deal, what did they do? They asked the Parliament to approve \$50-odd million for Maritime. So, who are T&TEC officials to be used?

This Government has demonstrated how a government should not manage public resources. [*Desk thumping*] The tender process, by whatever means, is there to ensure that some semblance of order and fairness is brought to bear on governmental action. We saw the Government violating the tender procedure over and over again. We saw it with the airport. It was the violation of the tender arrangement which caused the Government in the first place to get into difficulty with the award of the contract at the airport. Even after an inquiry has shown that there was impropriety in that act, the Government proceeded again, under the cloak of the name Nipdec, to violate tender procedure again, because the Government is hell-bent on directing public funds into selected pockets.

We see the same thing here. If we go up to the Airports Authority, whether it is for the fencing, lighting, or the car park, all the contracts are in violation of tender procedure. In fact, one contract at the airport, the preferred contractor did not even put a bid in the tenders box and his bid out of the box did not even have quantities, but he got the contract. That is how this Government is conducting public business. Then, when we in the Opposition raise Government's misconduct, these people who spent a life of talking about O'Halloran and Prevatt—who died so long ago—tell us that all we do is talk about corruption. I am sorry. The reason why all we do is talk about corruption is because all they do is carry out corruption. [*Desk thumping*]

That is why, as an Opposition, we are very proud to have been perceptive enough to see what this Government was likely to do and to hold our ground when we were invited into their so-called Government of National Unity. [*Desk thumping*] Mr. Speaker, could you have imagined what would have happened in this country if all of us were of a similar mind? Could you imagine if there was no Opposition, no PNM, to point out to the country what the Government is doing with the public finances?

I want to close on the note, and I want to appeal to my colleagues on the other side—because we are colleagues, starting as nationals together, it is our country and we are parliamentarians together—for those on the other side who still maintain a modicum of decency to examine the facts of the Government's actions

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and determine whether they are for the people of this country or against the people of this country. The world economy is getting very difficult and these excesses are going to come back to haunt every one of them, and it will not be sufficient to waive PNM because it will be the PNM that will have to come to the defence of this country and put an end to this kind of public misconduct. Thank you, Mr. Speaker.
[Desk thumping]

The Minister of Agriculture, Land and Marine Resources (Dr. The Hon. Reeza Mohammed): Mr. Speaker, I stand here this afternoon to make a contribution to the Motion brought here by the Member for Diego Martin Central and to point out the frivolous and farcical nature of this Motion. We have heard a lot about corruption. Something happened in Grenada recently when the two opposition parties waged a campaign of corruption against the Mitchell Government. The very former Minister of Finance who resigned from the Mitchell Government headed one of those opposition parties. The Member for Diego Martin West put all of us on notice in this House today and I want to put him on notice because they should learn a lesson from what happened in Grenada recently.

They continue with corruption here, but I say that the ballot box should be invoked for the Members of this Opposition. The Member for Diego Martin West called for invocation of the ballot box for this Government. They should learn from what transpired in Grenada, so let them continue with their campaign of corruption. What happened in Grenada then will happen in the next elections, so let them continue. Every Friday we come to this Parliament and all we hear about is corruption. The people of Grenada dealt with those who waged a campaign of corruption against the Mitchell Government and he won all 15 seats. That is exactly what is going to happen in this country when the next election is called.

Dr. Rowley: Notice nobody clapped?

Dr. The Hon. R. Mohammed: Mr. Speaker, I do not need any applause from them. What does the Motion say?

“Be it resolved that this Honourable House condemn the unsatisfactory manner in which the Trinidad and Tobago Electricity Company (T&TEC) entered into an Agreement with the firm “InnCogen” for the supply of electricity by InnCogen to T&TEC; and

Be it further resolved that this Agreement be voided and that the choice of the provider of the electricity requirement of T&TEC be made through the system of public tender.”

Where is the Member for Diego Martin Central? He spoke for 75 minutes about sleight-of-hand and he spent his entire 75 minutes and not for one second of that 75 minutes did he prove sleight-of-hand by this Government. He never did. Likewise, the Member for Diego Martin West. Talk; all talk!

My understanding of the InnCogen situation is that a package comprising four plants: a glass manufacturing plant; a paper manufacturing plant; a particle board plant; and an ethanol plant was put together and at which an agreement was arrived. All of these four plants require electrical power. An agreement was arrived at whereby a plant to generate electricity would be sited in the area where these four plants are to be sited on Caroni's lands. I will deal with the question of the price of land in a moment.

All four plants require electrical power. Mr. Speaker, my honourable colleague, the Minister of Public Utilities, in his contribution—I am reading from the *Hansard* of his contribution—where it speaks to the *Medium Term Policy Framework 19992001*. It says:

“Government's policy regarding future generation expansion would emphasize demonopolization of the power generating sector through the participation of co-generators.”

He went on further to say that there were three processes that could be used for the implementation of that policy position: competitive bidding, competitive negotiation or direct negotiations, and he explained further that because of the nature of the package, because there were four plants to come along with the electricity generating component, T&TEC took a particular course. What the Member for Diego Martin Central questioned in his Motion is the process that was used. An agreement was arrived at and there were several Memoranda of Understanding that were signed.

The Hon. Member for Caroni East, the Minister of Public Utilities, spoke of a Memorandum of Understanding signed between Tidco and Innercob and Innercob and Caroni. I would like to point out what was agreed to with respect to Innercob, InnCogen, the generation of electrical power and the construction of the four plants: the glass plant; the baggasse plant; the ethanol plant; and the paper plant. The agreement that was arrived at, as far as I am aware, firstly, Innercob proposed to build and operate a paper manufacturing plant, a glass manufacturing plant, a particle board plant and an ethanol plant at lands at Caroni which it has agreed to lease for that purpose.

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Secondly Mr. Speaker, TIDCO granted Innercob approval for import duty concessions on the importation of the materials necessary for the manufacture of the various products at the plants.

Thirdly, in order that the plants may properly operate it is necessary that there be constructed a co-generation plant for the supply to the plants of electricity, steam, hot and cold water, and the thermal energy with the intention that the excess electricity capacity be sold to the Trinidad and Tobago Electricity Commission.

Fourthly, Innercob has made an application to the Government of Trinidad and Tobago for fiscal incentives for the manufacture of the products of the plants, and for fiscal incentives for the said co-generation plant.

Fifthly, Innercob had agreed with Yorke Research Corporation, and with Designed Bills Professional Incorporated both together called Yorke/DBP to form a Limited Liability Company by the name of InnCogen Trinidad Limited (InnCogen) for the construction of the said co-generation plant to supply the plants as aforesaid and for the sale of the said excess electricity capacity to the Trinidad and Tobago Electricity Commission in accordance with agreements to be finalized between Innercob, InnCogen and T&TEC.

Sixthly, Innercob shall take a lease of the said lands at Caroni, and begin the construction of the plants.

Seventh, Innercob shall sub-lease a part of the said lands at Caroni to InnCogen for the purpose of the said co-generation plant.

Eighth, Innercob and InnCogen shall finalize and sign agreements for the sale of the excess electricity capacity after the supply of electricity and thermal energy to the plants to T&TEC, to assist T&TEC in its electric supply capacity and reserves.

Ninth, InnCogen shall construct, equip and operate the said co-generation plant.

Tenth, Innercob shall construct, equip and operate the plants. I expect that refers to the four other plants in the package.

Mr. Speaker, that was the agreement that was arrived at between TIDCO and Innercob. Now, a lot of information has come out in the media, Mr. Speaker, and most of the information that has come out in the media up to this point, spoke of the systems that were used in the selection of Innercob and InnCogen for the construction of the electrical power generating plant as a co-generator.

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Mr. Speaker, I would like to inform this honourable House, in spite of the fact that this information was given national publicity, a brief history of the project and the sequence of events as they occurred.

Mr. Speaker, I propose to do that by using the address which was presented by the Hon. Prime Minister at the ground breaking ceremony at Brechin Castle in Couva on Monday November 2, 1998.

I quote Mr. Speaker.

“This project site is part of a 120 acre parcel which Caroni Ltd is developing into an industrial site to be occupied by Innercob Industries Ltd, and other industrial users.”

I want to repeat that, Mr. Speaker, “and other industrial users.”

Caroni in such a way, as to ensure that our workers do not suffer. The InnCogen facility is designed to produce approximately 225 megawatts from three general electric natural gas fired turbines, at a total cost of about US\$100 million. This facility is scheduled to achieve commercial operation by September 1999 at no cost to the Government.”

I want to repeat that, Mr. Speaker, “at no cost to the Government”.

“As I understand, state-of-the-art technology would be utilized in the generation of electricity, and to meet environmental and safety controls that are equal to the projects in the United States of America.

The latest technology would be used to minimize and control emissions—a reverse osmosis system would be used to purify water for turbine cleaning. The plant site will be provided with a water fire protection system.

Additionally, inlet and exhaust silencers will be utilized to minimize the impact on the residential areas surrounding the site. In fact, the Minister responsible for physical planning has approved the grant of outline planning permission for the various projects.”

I want to end my quote here, and recommence a little later, and to make a comment here, Mr. Speaker; in that we continue to hear from Members on that side, in particular the Members for Diego Martin Central and Diego Martin West, that they have not seen any plants, any construction as yet.

Mr. Speaker, the first phase of this exercise is to put in the electrical power generating facility; without that, you would not have the electrical power required to run the other four plants in the entire project.

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Mr. Speaker, outline planning permission was received for the majority of these plants, one year after applications were put in for planning permission. My information, Mr. Speaker, is that planning permission has now been received, and I expect when my other colleagues get on their legs to make their contributions, they would expand on that a little further.

Let me now return to the history, Mr. Speaker, and the sequence of events as they unfold, and continue to quote from the Prime Minister's presentation at the ground breaking ceremony.

“These Companies will therefore be required to fulfill conditions as they relate to water, drainage, electrical and environmental considerations.”

So, all of the aspects were taken on board, Mr. Speaker—environmental friendliness and what have you.

InnCogen, a Limited Liability Company registered in Trinidad and Tobago is 100 per cent owned by York Research Corporation which is listed on the NASDAQ with a turnover of approximately US\$100 million in 1997.

So, all the nonsense that we just heard a little while ago about a paper company that has been transformed or monetized in fiscal terms, that was totally misleading, Mr. Speaker; totally misleading. [*Desk thumping*].

However, the power purchase agreement—the PPA—which was spoken of by the Member for Diego Martin Central between T&TEC and InnCogen provides for InnCogen to make 20 per cent of its shareholding available to T&TEC, and other interested local participants.

Mr. Speaker, the origin of this diversification plan in reality, dates back to November 19th, 1992, when the PNM was in power. The World Bank document on the Trinidad and Tobago power sector entitled: *Preliminary Evaluation and Basis for a Sector Strategy* dated November 19, 1992 states as follows:

“At the sectoral level Government has decided to accept private sector participation as a long-term strategy for the sector within which a competitive environment would be maintained. The aim is to stimulate efficiency through the pressure of potential and actual competition.

Under strong presentations, Mr. Speaker, from the OWTU and others and despite allegations of all sorts, the then PNM government divested its 49 per cent share in the generation side of the power sector.”

And do you know when this was done, Mr. Speaker, what happened? Two 36-year old turbines were sold to PowerGen. So much so, that they had to pay penalties because in the presentation made by the Hon. Minister of Public Utilities, he indicted the months when these penalties became necessary, because there was a shortage and the reason for the shortage as I understand it, Mr. Speaker, is because of the age of the turbines.

The OWTU opposed the divestment of T&TEC as a revenue raising measure for the Government, and not necessarily for the purpose of stimulating efficiency.

It goes on, Mr. Speaker—and we all heard from the Minister of Public Utilities in his 1998/1999 Budget contribution, arguing how \$265 million of the proceeds from that sale of 49 per cent were diverted through NGC to build the failed LIBIDO Industrial Estate at La Brea. That is where the money went—diverted to LIBIDO, Mr. Speaker, which failed.

Mr. Speaker, what a colossal waste of state funds? We were also advised by the Adam Smith Institute of the United Kingdom, the consultants hired by the previous Manning Administration in 1993, of the dangers of monopoly powers of one generator of electricity.

3.40 p.m.

Mr. Speaker, the consultants seriously questioned the wisdom, given PowerGen's unassailable advantage and to avoid what is normally referred to in the industry, "winners curse" of permitting Powergen to invest in or bid for new generation capacity. That came out of the Adam Smith's report, Mr. Speaker, it did not come out from this Government here—Adam Smith.

The consultants further requested that, for reasons of increasing competition and reducing the dependence on one supplier, other suppliers be allowed to provide additional capacity. That is what is happening now!

Hon. Member: Read it over again!

Dr. The Hon. R. Mohammed: That is precisely what is happening now, Mr. Speaker. Let me read that again.

The consultants further suggested that, for reasons of increasing competition and reducing the dependence on one supplier, other suppliers be allowed to provide additional capacity.

It is in this context, and almost immediately on assuming office, this UNC Government of national unity said that we had no intention of converting a state

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monopoly into a private monopoly and enunciated a clear policy in the *Medium Term Policy Framework 19982000*, when we said, and I quote:

“new generation expansion of the system will be done utilizing the Co-generation /dependent Power Producers approach.”

That is what we are about. That is precisely what we are about, Mr. Speaker.

Hon. Member: What are you speaking about?

Dr. The Hon. R. Mohammed: I continue:

“This will relieve T&TEC of the financial responsibility of generation expansion while at the same time deepen the involvement of the private sector at the generation level.”.

It is amazing that we are being asked now by the Opposition to tell the country why we are denying T&TEC access to new capacity expansion and giving the money-making component to a competitor in which the state has no shareholding.

That is the policy, Mr. Speaker. Life goes on!

Perhaps what is more amazing is that back in 1994, the same people argued that T&TEC should not get involved in any further investment in the additional capacity and they took the decision to divest 49 per cent of the generating assets.

Mr. Speaker, that was the direction of the then government. That was the directive of the then government to T&TEC.

What we are witnessing here today is in keeping with our stated policy and the implementation of that policy. We have stated once more in *the Medium Term Policy Framework 19992001* as follows:

“Government’s policy regarding the future generation expansion will emphasise de-monopolisation of the power generation sector through the participation of co-generators.”

The Member for Diego Martin Central spoke about sleight of hand.

Mr. Valley: Mr. Speaker, I wonder whether the hon. Minister would give way for a question.

Dr. The Hon. R. Mohammed: Would you allow me to finish, and then I will take your question?

Mr. Valley: I just want one question before you finish, or if you want to—

Dr. The. Hon. R. Mohammed: Yes.

Mr. Valley: Mr. Speaker, I wonder whether the Minister would inform the House that they know that they wanted to demonopolize and so forth. Why did they not go out for competitive bidding? Even if they had to exclude, to say, “Well, PowerGen, we do not want you to bid. But put it out for competitive bidding, so that the others may have been given a chance. Why did one use this procedure to ensure that a friend of the high-ranking official of your party got a sweetheart deal without competition?”

Dr. The. Hon. R. Mohammed: Mr. Speaker, when I give the sequence of events as they occurred, the question that the Member for Diego Martin Central has asked would be answered, so let me continue. So listen carefully, Sir, and you will get your answer, I assure you.

You see, he spoke about sleight of hand, and he was questioning whether the power purchase agreement between T&TEC and InnCogen was conducted in a veil of secrecy. As they all allege—the sleight of hand, the sleight of hand, Mr. Speaker

Let me briefly, therefore, list the sequence of events that led to this agreement. And most of what I am about to say, Mr. Speaker, will be in support of the contribution made by my colleague, the Minister of Public Utilities. T&TEC had forecasted early in 1997, that the system peak load would exceed the capacity contracted from PowerGen. This would necessitate—and most of what the Member for Diego Martin West contribution confirms this—forcing additional generating capacity to meet the projected load growth from 1998 and beyond.

Government indicated that in keeping with the stated policy, T&TEC should attempt to meet its additional requirements from large co-generators rather than independent power generators in view of the fact that not only will they create the desired level of competition in the generation subsector, but along with generating their own electricity, they bring to the host country other hosts of plants, thereby creating a large pool of jobs and numerous other economic benefits.

Listen carefully, Mr. Speaker. In keeping with our stated policy, T&TEC, since 1996—and the Member for Diego Martin West in his contribution made a point to the effect that since we came into Government, knowing that what our power requirement would be in 1999, we have done absolutely nothing. Listen carefully!

In keeping with our stated policy, T&TEC, since 1996, has been holding discussions with a number of industrial investors, three of which appear to have the greatest potential for supplying power within the required timeframe. These were Norsk Hydro, the Aluminium Company of Trinidad and Tobago—Norsk Hydro

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does not exist, Mr. Speaker—and InnerCob Industries Trinidad Limited. However, neither Norsk Hydro nor ALCOTT were positioned to meet the deadline of September, 1999.

Hon. Member: There is no Norsk Hydro Aluminium in Trinidad, it does not exist.

Dr. The Hon. R. Mohammed: Discussions are still continuing with these two companies with respect to their ability to meet requirements beyond the year 2000. InnerCob Industries Trinidad Limited had planned to establish an industrial estate adjacent to the Brechin Castle Sugar Factory. This estate was to include plants producing glass, paper, particle board and methanol, and a power-generating plant.

Mr. Speaker, this is the sequence of events:

- On November 19, 1996, Innercob wrote to the Ministry of Public Utilities indicating Innercob's association with York Research Corporation and York's interest in selling excess power to the national grid.
- On January 13, 1997, T&TEC met with representatives of InnerCob to discuss details of the co-generation project and the involvement of York Research Corporation,
- On February 6, 1997, T&TEC wrote York indicating its willingness to purchase a power agreement (PPA), only if it can meet the deadline of September, 1999.
- On February 24, 1997, Mr. Speaker, T&TEC received a letter from York indicating the site for the co-generation project and its firm commitment to make power available to T&TEC by September.
- Between March 16—21, Mr. Speaker, T&TEC held discussions with InnerCob/InnCogen to discuss details of the PPA. InnCogen tabled a draft Power Purchase Agreement at the end of the discussions.

It goes on:

- On April 27, 1997, an article on the Power Plant and other InnerCob projects was published in the US Journal of Commerce.

On May 15, 1997, InnCogen made a presentation to Town and Country Planning as part of the Environment Impact Assessment approval process.

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- Between June 25—27, 1997, members of T&TEC's Board and Executive Management performed a due diligence exercise on York Research Corporation in New York.
- On July 3, 1997, Mr. Speaker, a report on "A Time Table to Ensure Generation Addition by September 1999" was prepared by T&TEC and submitted to the Ministry of Public Utilities.

3.50 p.m.

[MR. DEPUTY SPEAKER *in the Chair*]

- On July 25, 1977, a Memorandum of Understanding was signed between InnerCob and TIDCO and Caroni Limited for the purpose of establishing paper, glass, particle board and ethanol plants.
- On July 30, 1997, a Note was prepared for Cabinet by the Ministry of Public Utilities.
- On July 31, 1997, Cabinet accepted the Ministry of Public Utilities recommendations for T&TEC to enter into negotiations with a view to formalising a Power Purchase Agreement with InnCogen.

T&TEC held discussions with InnCogen over the next seven months. These discussions commenced on August 21, 1997.

- On October 7, 1997, T&TEC presented a Status Report on the negotiations to the Energy Sub-Committee and sought guidance on including some form of guidance in the Power Purchase Agreement to ensure that InnerCob's four other projects materialize within a certain time limit.
- On October 15, 1997, the Ministry of Public Utilities approached Cabinet on the Energy Sub Committee's view that it may not be appropriate to include "time limit" references to other projects in the Power Purchase Agreement since they may have different ownership status and financing arrangements and since InnerCob has already signed Memorandum of Understanding with TIDCO and Caroni for the establishment of four plants.
- On October 16, 1997, Cabinet, in light of the Energy Sub-Committee's views and the fact that, because of the lead-time involved, a decision on the Power Purchase Agreement was needed by November 1997 to meet the September 1999 deadline for new generation agreed to the Ministry of Public Utilities

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proposal to delink the Power Purchase Agreement with the other four projects.

- On February 4, 1998, the Board of T&TEC approved Power Purchase Agreement.
- On February 5, 1998, Cabinet authorised T&TEC to sign the negotiated Power Purchase Agreement.
- On February 6, 1998, the Minister of Public Utilities made the statement in Parliament on the Status of negotiations for a Power Purchase Agreement between T&TEC and InnCogen.
- On February 12, 1998, the Power Purchase Agreement was signed.

Mr. Speaker, that is the way it went. That is the sequence of events as they took place. So that to come here in this Parliament and make a statement to the effect that this Government did absolutely nothing with respect to electrical power requirements by this country by the year 1999—September of 1999—is totally misleading. As a matter of fact, it is also mischievous; very mischievous.

Now, they have criticized; they have used an argument of corruption. And you know, not for one minute during the contribution made by the Member for Diego Martin Central, nor the seventy-five minute contribution of the Member for Diego Martin West, none of them took the opportunity to explain to this Parliament and by extension the national community, the benefits to be derived from this kind of agreement; an agreement whereby co-generation is to be had; a system whereby excess electricity generation would be tied into the national grid; a system whereby the cost of electricity to the consumer, because of the cost of production under this system, will be lower than that which the consumers presently experience through the power generation at PowerGen—the agreement that was arrived at by the PNM government in the divestment of T&TEC.

I reiterate, Mr. Speaker, PowerGen has not been able to provide the kind of electricity in the timely fashion. And that is why, when the Minister of Public Utilities made his contribution, he spoke to those periods when PowerGen was required to pay the penalties. The turbines owned by PowerGen are 36 years old; they cannot produce the megawattage of electricity that is required by this country. And even though the argument is made by the Member for Diego Martin West that the four plants in the package are only going to require 30MW of electricity—

Mr. Valley: 25.

Dr. The Hon. R. Mohammed: —there is already an agreement whereby an aluminium smelter is going to be established in this country.

Mr. Speaker, the PNM government has been trying, since 1966, to get an aluminium smelter established in this country. I know my friend on the other side, the Member for Diego Martin West, would know, at least, some physics and he would also know that the process that is used for the extraction of aluminium from aluminium oxide requires a tremendous amount of electrical power; he would know that very well. So that to come here in this Parliament and make the statement that those four plants that the InnerCob Complex is going to be establishing would only require 30MW of electrical power, and not thinking of what is going to happen in the future—because there is no way that PowerGen is going to be able to generate the power wattage required by an aluminum smelter. Now way!

Mr. Valley: Then what is the point he is making?

Dr. The Hon. R. Mohammed: Mr. Speaker, it is their right to criticize; that is what they are there for, and they will continue criticizing.

Let me turn, therefore, Mr. Speaker, to some of the benefits which would be derived out of this kind of agreement.

Mr. Valley: To who? To the shareholders?

Dr. The Hon. R. Mohammed: To the nation.

What are some of the positive attributes, Mr. Speaker, of a project of this nature?

Benefits

Trinidad and Tobago stands to benefit from the approach we have adopted in the Generation sub-sector of this country.

Reliability

With the new generator, the country stands to gain from the enhanced reliability of service as T&TEC will be in a position to depend on another source of electrical power. T&TEC will manage the contracted capacity from PowerGen and InnCogen in a way to maximize reliability at the lowest cost.

Efficiency

InnCogen's plant being new and at the cutting edge of the technology, will operate at higher efficiencies than PowerGen's. This will result in lower fuel cost

and T&TEC will be able to pass these savings on to its customers. This will become increasingly more important to T&TEC and its customers as the price of natural gas escalates in the future.

Competition

InnCogen will bring competition to an industry that was previously a monopoly and therefore, the possibility of further reduction in electricity prices. It also brings about competition in the labour market which will redound to the benefit of PowerGen employees as well as the national labour market. In fact, we are already seeing the benefits of this competition. PowerGen has agreed to provide an additional 40MW from April 1998 to meet T&TEC's increasing demand at a discount of 10 percent.

Employment

The opening of the Generation sub-sector will increase the attractiveness of Trinidad and Tobago as the preferred site for projects, thus bringing direct and indirect employment opportunities and other economic benefits to the country. InnerCob's four plants and InnCogen facility together are expected to create permanent employment for over 700 persons and an estimated 2,000 jobs at the construction stage, at an estimated capital cost of US \$350 million. Not temporary cane-cutting jobs for six months of the year but permanent—well paid jobs.

4.00 p.m.

Regarding the comparison of PowerGen and InnCogen's prices in the context of lower rates for consumers, it is estimated that the capacity and energy charges for PowerGen are approximately 5.7 and 37.7 per cent higher than for InnCogen. The overall conversion cost per unit, kilowatts per hour, is estimated to be 6.5 per cent higher for Powergen. That is to say, Mr. Deputy Speaker, that electrical power generated out of InnCogen's plants would be 6.5 per cent lower than the electrical power generated out of PowerGen's plants. Furthermore, InnCogen's price escalation for capacity payments is indexed at 27.5 per cent of the US consumer price index over the life of the contract, while PowerGen's price escalation is indexed at 95 per cent. Therefore, the price gap between the two suppliers on a per kilowatt hour basis would continue to widen in the future.

Projecting these figures to the year 2008, when PowerGen's contract ends, its conversion cost per unit would be 23.4 per cent higher than that of InnCogen. Based on this price differential, TTEC and, therefore, the consumers of Trinidad and Tobago would be saving about TT \$189 million between 1999 and the year

2008, or roughly TT \$19 million per year. I would repeat that: based on this price differential, TTEC and, therefore, the consumers of Trinidad and Tobago would be saving about TT \$189 million between 1999 and the year 2008, or roughly TT \$19 million per year.

The duty of the Government of Trinidad and Tobago is to ensure that all demands for electricity are satisfied at reasonable prices; that suppliers are able to finance the provision of electricity supply services and to promote competition in the generation subsector. We are convinced in our minds that this new facility would complement PowerGen's facility to meet the growing demands of the local industrial sector and the people of Trinidad and Tobago well into the new millennium.

I have attempted to outline the sequence of events as they took place with respect to the agreement arrived at between InnCogen, InnerCob and T&TEC. I have also demonstrated very clearly the benefits to be derived. We continue to hear what is perceived to be bad about this, that there has been sleight-of-hand, without any proof and about the lease price or the lands to be occupied by these four plants by Caroni (1975) Limited. All these things were put on the table in this Parliament as Replies to Oral Questions and were published in the media. Yet, we hear today again, as we continue to hear every Friday in this House, every Parliamentary sitting, that there was sleight of hand, corruption and sweetheart deals.
[*Interruption*]

Hon. Member: Because they have not stopped!

Mr. D. Singh: But they would not go outside and say that.

Dr. The Hon. R. Mohammed: I am very pleased that in his contribution, the Member for Diego Martin West raised the issue of the lands leased. Even though it was 1960—

Mr. Deputy Speaker: The speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Hon. R. L. Maharaj*]

Question put and agreed to.

Mr. Hart: He said it with no conviction, he was laughing at you!

Dr. The Hon. R. Mohammed: Mr. Deputy Speaker, I thank my colleagues for having my time extended for my contribution to this debate.

Hon. Member: Very good contribution so far!

Dr. The Hon. R. Mohammed: Concerning the question of the lease of the lands by Caroni (1975) Limited to InnerCob, I made it very clear in one of the responses I made to this Parliament—I think it was an oral reply to question No. 7 if I am not mistaken, and further, to question No. 2, in another place—that no lands were leased by Caroni (1975) Limited to Inncogen. The lands were leased to InnerCob.

The hon. Member for Diego Martin West quoted a lease value of 40 cents per square metre. Yes, not TT 40 cents, but US 40 cents. I would go back to the issue of that parcel of land which was five acres, three roods and one perch, which was leased. Even though it was in 1960, which the hon. Member claimed at that time it was Tate and Lyle's lands and there was no premium, you had all the major infrastructure there. It was a parcel of land bounded on one side by the Southern Main Road and on the other side, the north, by the Churchill Roosevelt Highway, with easy access to all the utilities and what have you, a flat piece of land. Prime real estate value, even though in 1996, was a yearly rental of \$2,878.12. Do you know what that works out to per square foot? It works out to TT 1.3 cents per square foot, and this is US 40 cents.

I read from the answer which I gave to this House on this matter, question No. 2, parliamentary session of 1998/1999:

"The Lease is for sixty (60) years with an option to renew for another thirty (30) years. There were 32.4 hectares or approximately 80 acres of land which were leased. The price paid by InnerCob is TT \$2,587,186.00 (or US\$ 1.40 per square metre) in the first year which includes a premium and lease rental costs. Thereafter, there is an annual lease rental of TT \$816,338.00 (or US \$0.40 per square metre) including a price escalation which will be pegged to the US consumer price index."

I wonder if the Member for Diego Martin West knows anything about that?

"The lease value of the land considered several factors, such as infrastructural costs for roads, drainage, water, sewerage to be borne by InnerCob."

That is the important part here.

All the infrastructural costs according to this agreement were to be borne by InnerCob and not Caroni (1975) Limited.

"The valuation of this land by Caroni (1975) Limited was \$150,000.00 per acre based on the market value of land existing in the Point Lisas area, not in close proximity to the port nor within easy access to other services."

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Mr. Deputy Speaker, I would give some comparative land values which is taken from real estates at the Point Lisas Industrial Estate:

Land over one hectare, 5 per cent premium, US 1.10 per square metre, annual rental, \$1.26 cents per square metre. That includes infrastructural costs and utilities cost as well.

Land under one hectare, 5 per cent premium, US 1.40 cents, per square metre, annual rental US \$1. 60 cents per square metre, with all the infrastructure and utilities in place.

In the case of InnerCob, it has to bear the cost of putting in the infrastructure by way of roads and what have you, as well as utilities.

Thus, when we hear the Opposition speak about sleight of hand, all these things are in the parliamentary record already. They prefer not to take the time to go to the *Hansard*, get the documents and read them, but to come into this Parliament Friday after Friday and attempt to use the misinformation they have, and read it into the *Hansard* record.

They attempt to create the same kind of mischief with respect to what is published in the print media. You cannot tell me that those on that side are not aware that on many occasions what is printed in the print media is incorrect, maybe perpetrated by they themselves! I do not know. But because of their wickedness they take these documents, irrespective of whether what is written is correct or not, and read it into the *Hansard* record. That is the kind of mischief they make and they continue to do it. [*Crosstalk*]

I ask myself, do these people have the moral obligation to come to this Parliament and criticize this Government?

Hon. Members: No!

Dr. The Hon. R. Mohammed: I say no! They are mischief makers. They know very well that what is contained in most of the media articles is incorrect, yet they take it and read it into the *Hansard* record. That has to stop! [*Crosstalk*]

Mr. Hart: You are lucky that Ken Starr is not in Trinidad, all now is impeachment!

Dr. The Hon. R. Mohammed: [*Interruption*] The mischief they continue to make would act against them, because as I started off in my contribution saying, it is the same kind of *modus operandi* that the Opposition tried to use against the Mitchell Government in Grenada, and it worked against them. They used a

The Member for Princes Town in his contribution said something about the Member for Diego Martin West concerning moneys owing to Tanteak and also money owing for the equipment—

Could I get a copy of the *Hansard* for that area? I will rule on it after.

Dr. The Hon. R. Mohammed: Mr. Deputy Speaker, they sit there and they attempt to give this Government blows but when it comes to taking blows, they cannot deal with that. But everything will come out in the long run.

So that, I have attempted in my own little way, to put the Motion brought by the hon. Member for Diego Martin Central in a particular perspective and, hopefully, to rest. All the statements that have been made here by those Members of the Opposition do not, in any way, give credence to sleight of hand. As far as I am concerned, having read the *Hansard* record and having listened to the Member for Diego Martin West, there is absolutely no question in my mind that they have proven sleight of hand; absolutely none.

Mr. Hart: He said that already. He is making up time.

Dr. The Hon. R. Mohammed: I have attempted to demonstrate the sequence of events as taken place; I have outlined the agreement that was arrived at between TIDCO and InnCogen and I have given the advantages and the benefits to the consumers of electrical power in this country.

Mr. Valley: Say it again.

Dr. The Hon. R. Mohammed: I am convinced that what has happened here is that the efforts of this Motion brought here by the Member for Diego Martin Central is to frustrate the efforts of this Government. They on that side realize that every project that was brought by this Government is going to be to the benefit of the people of this nation and they cannot bear that. They know that when the bell tolls for the next election, they would not even be there.

All these figures that we have heard here today about the megawattage and how much money this one is getting in his pocket and how much that one is getting in the other pocket, let me tell you the kind of mathematics their leader, the “father of the nation”, taught them. The mathematics he taught the PNM was such that one from ten leaves nought. But, it got worse, Mr. Deputy Speaker, when the “stepfather of the nation” also attempted to teach them mathematics. Do you know what he taught them, Mr. Deputy Speaker? Let me tell you. He taught them that two from 17 leaves a debt of one million. That is what he taught them.

Mr. Deputy Speaker, I have been asked by my colleague here, given that I have a little time to speak, to read the legal opinion. It says:

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- “(1) Licence Agreement and Agreement for the Sale and Purchase of Power (Power Purchase Agreement) between the Trinidad and Tobago Electricity Commission and InnCOGEN, Limited
- (2) Consent and Agreement among the Trinidad and Tobago Electricity Commission, the bank of New York as Agent and Trustee for the lenders and InnCOGEN, Limited.”

This was an opinion cited by the hon. Attorney General. [*Crosstalk*]

“I give this opinion in my capacity as Attorney General of the Republic of Trinidad and Tobago. In that capacity, I have familiarised myself with and have considered:—”

[*Crosstalk*] Listen carefully. I think they should take the opportunity to hear what transpired in the legal opinion by the hon. Attorney General because they continue to question his opinion. Please pay attention and learn something.

- “(i) the Licence Agreement and Agreement for Sale and Purchase of Power (Power Purchase Agreement) made and entered into as of the 12th day of February 1998 between the Trinidad and Tobago Electricity Commission of the One Part and InnCOGEN, Limited of the Other Part together with Appendices thereto (as amended by the supplemental Agreement between the same parties in the same order dated 18th June 1998) (collectively ‘the Power Purchase Agreement’); and
- (ii) the Consent and Agreement made and entered into as of the 4th day of August, 1998 by and among the Trinidad and Tobago Electricity Commission of the First Part, the Bank of New York, as agent and trustee of the Lenders (‘the Collateral Agent’) of the Second Part and InnCOGEN, Limited of the Third Part (‘the Consent and Agreement’).

In connection with the delivery of this opinion, I have examined executed copies of the Power Purchase Agreement, the Consent and Agreement and such other documents as I have deemed relevant or necessary for the purpose of this opinion. Expressions defined in the Power Purchase Agreement have the same meanings in this opinion. I express no opinions as to any laws other than the laws of the Republic of Trinidad and Tobago.

Having considered the Power Purchase Agreement, the Consent and Agreement and the other documents and having regard to the relevant Laws of the Republic of Trinidad and Tobago, I am pleased to advise that in my opinion:—”

—that is, the opinion of the Attorney General—

The Trinidad and Tobago Electricity Commission ('T&TEC') acting through its Deputy Chairman, Devanand B. Ramlal, and its General Manager, Stanley P. O. Ottley, has full power and authority to enter into, to execute and deliver the Power of Purchase Agreement and the Consent and Agreement and to perform and comply with the terms and conditions of the Power Purchase Agreement and the Consent and Agreement;

- (b) All corporate action required to authorise the execution, delivery and performance by T&TEC of the Power Purchase Agreement and the Consent and Agreement and the transactions contemplated thereby has been taken;
- (c) T&TEC has the power and is authorised to carry out the transactions contemplated by the Power Purchase Agreement and the Consent and Agreement;"

I will repeat that, Mr. Deputy Speaker. This is the opinion of the honourable and learned Attorney General of Trinidad and Tobago.

- “(c) T&TEC has the power and is authorised to carry out the transactions contemplated by the Power Purchase Agreement and the Consent and Agreement;
- (d) All actions, conditions and things required by the Laws of the Republic of Trinidad and Tobago to be taken, fulfilled and done in order:—
 - (i) to enable T&TEC to perform its obligations under the Power Purchase Agreement and the Consent and Agreement; and
 - (ii) to ensure that the obligations of T&TEC under the Power Purchase Agreement and the Consent and Agreement are valid, legally binding and enforceable in accordance with their respective terms,

have been taken, fulfilled and done.”

Let me read that, again.

- “(d) All actions, conditions and things required by the Laws of the Republic of Trinidad and Tobago to be taken, fulfilled and done in order:—
 - (i) to enable T&TEC to perform its obligations under the Power Purchase Agreement and the Consent and Agreement; and

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- (ii) to ensure that the obligations of T&TEC under the Power Purchase Agreement and the Consent and Agreement are valid, legally binding and enforceable in accordance with their respective terms, have been taken, fulfilled and done.
- (e) Cabinet, having authorised the Minister of Public Utilities to approve the Order made by T&TEC whereby InnCOGEN, Limited was declared to be an approved generator of electricity on the 10th day of February 1998 and also having authorised the Minister of Public Utilities to consent to the purchase of energy by T&TEC from InnCOGEN, Limited and to approve of and consent to the right of InnCOGEN, Limited to generate energy by written approval and consents both dated the 10th day of February 1998 (true copies of such Declaration Order and the Ministerial approval and consents as set out in Appendix L to the Power Purchase Agreement), the Power Purchase Agreement was validly executed and delivered by T&TEC acting through its officers as aforesaid on the 12th day of February 1998 and validly amended by the supplemental Agreement executed on the 18th day of June 1998 and the Consent and Agreement validly executed and delivered on the 4th day of August, 1998.”

I hope the Member the Diego Martin Central is paying attention.

- “(f) All legislative, administrative and other Governmental action required to authorise the execution, delivery and performance by T&TEC and InnCOGEN, Limited of the Power Purchase Agreement and the Consent and Agreement and the transactions contemplated thereby have been taken except to the extent of actions which, by the terms thereof, are to be taken at a later time.
- (g) The execution and delivery of the Power Purchase Agreement and Consent and Agreement and the performance of the Power Purchase Agreement and the Consent and Agreement and the transactions contemplated therein by T&TEC does not and will not contravene or conflict with any of the terms, conditions or provisions of the Constitution and the other Laws of the Republic of Trinidad and Tobago;
- (h) The execution and delivery of the Power Purchase Agreement and the Consent and Agreement and the performance of the Power Purchase Agreement and the Consent and Agreement and the transactions contemplated therein by T&TEC do not require the consent or approval of

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any Government authority, body or agency, except those already obtained;

- (i) The Power Purchase Agreement and the Consent and Agreement are in proper legal form under the Laws of the Republic of Trinidad and Tobago;
- (j) It is not necessary or advisable under the Laws of the Republic of Trinidad and Tobago in order for the Power Purchase Agreement and the Consent and Agreement to be valid, effective and enforceable that the Power Purchase Agreement and the Consent and Agreement be filed, registered or recorded in any public office or elsewhere.

This opinion is given solely in connection with the transactions contemplated by the Power Purchase Agreement and the Consent and Agreement and may be relied upon by InnCOGEN, Limited, the Collateral Agent, the Lenders and their respective successors, assigns, endorsees, transferees as provided in the Power Purchase...”

[Off the record]

Mr. Deputy Speaker: Member for Diego Martin West, you can rise on a point of order. What was your point of order?

Dr. Rowley: I was alerting you, Mr. Deputy Speaker, that I refrain from rising on a point of order to allow him to repeat the same document that the Minister read.

Mr. Deputy Speaker: Prior to that statement, the statement before, could that be struck from the record, the last statement.

Member for Princes Town.

Dr. The Hon. R. Mohammed: Mr. Deputy Speaker, I continue:

“...the Lenders and their respective successors, assignees, endorsees, transferees as provided in the Power Purchase Agreement and the Consent and Agreement, I confirm that you may make available a copy of this opinion to officers of InnCOGEN Limited, T&TEC, the Lenders and the Collateral Agent who may rely upon it to the same extent as if the Opinion had been addressed to each of InnCOGEN Limited, T&TEC, the Lenders and the Collateral Agent.

Yours faithfully,

Attorney General.”

Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker: Hon. Members, the sitting is suspended for half an hour.

4.30 p.m.: *Sitting suspended.*

5.03 p.m.: *Sitting resumed.*

Mr. Deputy Speaker: Hon. Members, with respect to the point of order raised by the Member for Diego Martin West a while ago while the Member for Princes Town was speaking, I will have to look at the *Hansard* closely and consider it to see what action can be taken at this point in time and I will get back to the Member for Diego Martin West when that occurs.

Dr. K. Rowley: The difficulty I have with that is that the imputation from the Member would have prevailed for such a period and the injustice would have been done.

Mr. Deputy Speaker: According to what is said in the *Hansard* here, the Member for Princes Town is imputing questions but asking the question. What I have to consider is whether you could make a personal explanation at that point in time. At present, what I have in my hand cannot be considered imputing improper motives. What I have to find out is how you could work to counter-correct this. This is what I want to rule on.

ADJOURNMENT

The Attorney General (Hon. Ramesh Lawrence Maharaj): Mr. Deputy Speaker, when you came in, I did not notice and I apologize for having my back turned to you. I discussed with the Opposition Chief Whip and informed him that in the light of the proposed parliamentary seminar organized by the CPA, which Members of Parliament would be attending, and in relation to the preparations and the fact also that some of the Government Ministers would not be here next week, we would move to adjourn the Parliament to February 19, 1999. I indicated to him that thereafter, for the next two weeks, in order to make up the days we would be sitting on Wednesday mornings and Friday mornings.

We will adjourn at this stage to Friday, February 19, 1999 at 1.30 p.m. with notice that for the next two weeks thereafter, on Wednesdays and Fridays, we will sit from the morning onwards.

Mr. Deputy Speaker: Hon. Members, before we put the question to the House, there is a matter on the adjournment.

Rape Crisis in the East

Mr. Edward Hart (Tunapuna): Mr. Deputy Speaker, I rise to raise the following matter: The failure of the Government to properly address the alarming incidence of rape along the East/West Corridor. An 11 year-old girl was raped earlier this week in the constituency of Tunapuna, and only yesterday, a 43 year old man was arrested for allegedly raping a 15 year-old girl in Blanchisseuse in the Arima constituency.

[MR. SPEAKER *in the Chair*]

Mr. Speaker, a few weeks ago, a couple standing in front of their home on Cleaver Road, Arima was abducted and taken to Mexico Road, Wallerfield. The man was tied up, thrown in the trunk of the car and the member proceeded to gang rape the woman. All of these things are happening in the constituency of Arima, yet the Member of Parliament for Arima sits there like "lord dumb nothing.

At the Pavilion at Five Rivers Junction, Arouca there was a record launch by *Rukshun* three weeks ago. At the conclusion of the function three persons were raped. Two in the Five Rivers area: one at Bamboo Road and within half hour, the other was raped at Ballantyne Road. The third person was raped at Kandahar. Four rapes also took place at Red Hill, D'abadie three weeks ago.

On Thursday morning at approximately 12.45 a.m., I arrived home and while I was going into the gate a gentleman came through the savannah running. Breathless, he informed me that a young lady was just robbed and raped in the savannah opposite where I live. The young lady was crying. She was hysterical, trembling and confused. She was afraid to go to the police. She was afraid to go home. This young lady did not know what to do.

Mr. Speaker, this is just a few of the things happening in the East/West Corridor. That gruesome reality of the continuing spate of rape and physical violence which has engulfed the East/West Corridor within the last three months, especially from Champ Fleurs to Arima. These incidents are just the latest addition to the growing list of heinous crimes against our women which, as I indicated last week, need urgent attention from the authorities.

I can recall vividly that while we were in Government the Member for Chaguanas organized a march in her constituency because she complained of the rapes in her constituency. She claimed that Afro-Trinidadians were coming to Chaguanas and raping her constituents. Mr. Speaker, I journeyed down there with the Member for Arima and we took part in that march because of our concern. The present Prime Minister was in the march. He walked with us side by side bedecked in his short pants. He and his friends apparently have a liking for short pants.

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Mr. Speaker: I just want to draw to the notice of the Hon. Member that when one seeks leave to raise a matter, one has to stick to it, so that which happened and how one was dressed in Central is really extraneous to this matter. I ask you please to deal with the issue at hand: the question of prevalence of rapes in the last month in the East/West Corridor.

Mr. E. Hart: Mr. Speaker, I will be so guided. I was making the point that the Prime Minister was very concerned at that time with what was going on in the country and spoke at length throughout the march about the inaction of the Government at that time.

It is interesting to note that the Government has agreed with me that there is a high incidence of rape and has actually proposed an action plan to deal with the situation. Despite the statistics that we hear every now and again about crime being on the decrease and so forth, rapes are taking place unabated. There are many unreported cases because the women are scared and traumatized. They are afraid to go to the police and afraid of the cross-questions that are being posed to them in the courts.

Even when these criminals are apprehended, they are given bail to come out again and continue with their crimes. Witnesses are no longer safe to go to court. They are afraid also. So this is the plight of our poor women. It has reached such a stage that presently we are in the calypso season and in the Review Tent, there is a calypsonian who is singing a song entitled *Rape Witness*. What he is singing about is a mute boy as a witness in a rape case. So every night at the tent there is laughter. People are laughing at that. Mr. Speaker, I cannot afford to laugh. This is a serious thing. They are laughing at our womenfolk.

5.15 p.m.

Mr. Speaker, I have great difficulty in understanding the approach outlined by the Government as reported in the *Sunday Express* of January, 17, 1999.

I quote:

“Government plans anti-rape strategy.”

Mr. Speaker, this is to say the least fasical. Why fasical?

- (1) The Ministry of National Security is excluded from the list of Ministries participating in the development of the plan. This is what I read.
- (2) The Ministry of Gender Affairs is not included in the list.

- (3) More ridiculous, Mr. Speaker, the Government through their action plan, intends to ask disc jockeys—I repeat, they intend to ask disc jockeys, fete promoters, mas camp co-ordinators, and entertainers to educate women on how to protect themselves.
- (4) The plan calls for safety tips for women, and the lack of respect by men for women.

Mr. Speaker, there is evidence that there are members on the other side who have absolutely no respect for our womenfolk, none whatsoever.

- (5) Mr. Speaker, to top it off. This grand plan by the Government to combat the high incident of rape is being done especially for the Carnival season.

Rapes are taking place all through the year, so from Ash Wednesday rapes will continue but just for the Carnival season an action plan is being taken.

Mr. Speaker, this is the same Government that promise that they would deal with crime. The same Government that shouted that crime will be a thing of the past. The same Government that obtained 100 Cherokee Jeeps. We still do not know if they were bought or rented from their friends. The same Government that kept us here throughout the night to extend the then Police Commissioner tenure because, as they said, he had everything—[*Interrupted by Hon. Speaker*]

Mr. Speaker: I appreciate that you were reading and not looking up and seeing me, but the purpose of raising a matter is to elicit an answer, and it is a limited period, you have a window of 15 minutes in which to do it. It is really asking a question and setting out a situation. But, to argue a case such as you are doing, is not really the purpose of this particular procedure. It is just a question of raising to elicit an answer from the Minister, a situation which may not have come to his notice and which you are bringing and finding out what he is doing about it. This basically is it.

Thank you.

Mr. E. Hart: Thank you very much, Mr. Speaker. I will be guided by you again once more.

Mr. Speaker, there was a song and dance about Operation Leap. We heard about the joint army patrols and Community Policing. But my experience is, that the situation is escalating apparently out of hand.

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Mr. Speaker, this Government true to form wants to close the gates after the horses have bolted. Imagine the Attorney General promising for the second time without action that rapists should get lifetime.

Mr. Speaker, we do not want the promises. The same Attorney General bought over 200 pieces of legislation here in this House. We want action, we want it to happen. Not promises. *[Desk thumping]*. We want preventative measures, Mr. Speaker, this is what we are calling for. *[Desk thumping]*

The way things are going, Mr. Speaker, from where I am sitting, I am not seeing that as a priority for this Government.

Mr. Speaker, we are in the calypso season, but years ago Caruso sang a calypso because he was fed up with the situation. He said in his chorus—“when the police hold them and arrest them, do not fine them, do not imprison them, send them in the square let everybody be there, beat them with the cat, all who see bound to done with that.”

Mr. Speaker, we want measures to deter—

[Off the Record]

Mr. Speaker: No, please. One second, please. That is quite wrong. How could you do that? How could you say that? Member for La Brea, please. What the Member for La Brea said must be expunged from the record.

I ask the Member please, control yourself.

Mr. Bereaux: They are annoying me.

Mr. Speaker: Yes, but—

Mr. E. Hart: Mr. Speaker, while the citizens of this country are under siege, we are witnessing the spectacle of the Prime Minister acknowledging that a policeman cannot be placed at every street, at the side of each person to prevent crime. Apparently, he did not know that before. It took him three years as they are in Government to understand this. He did not say this while he was on the campaign trail.

Mr. Speaker, he is telling us that he cannot put a policeman at the side of each person. We know that, we are well aware, we always knew that. But he could see it fit to put a policeman at the side of the Member for Arima 24 hours a day.

Dr. Griffith: A valuable man!

Mr. E. Hart: Mr. Speaker, 24 hours a day a policeman is at the side of the Member for Arima.

Mr. Speaker, rape and physical violence perpetrated against our womenfolk is now a daily feature, and there is a deafening silence from the Government and particularly the Minister of National Security—

Whenever statistics come here, we hear it from the Attorney General, we do not hear the Minister of National Security.

The bravado the Minister exhibited when he was starring on television to prevent the Muslimeen from occupying lands at Mucurapo should now be displayed in this crisis. Is here we want action. We want action against the perpetrators in the East/West Corridor. Perhaps this situation does not have public relations value, and therefore little or no attention is being paid to it.

Mr. Speaker, I call upon the Minister responsible, and the Government to seriously address this situation in a more meaningful way and not to treat it as an insignificant issue. When I started off just now, Mr. Speaker, there was laughter from several Members.

Dr. Griffith: Is you.

Mr. E. Hart: Yes, laugh at me. Boy, you so shameless is a pity.

Mr. Speaker, the time for action is now. Our women are dancing with death. This Government must have their priorities right. They see the Piarco Airport as a priority, they see InnCogen as a priority, they see the Miss Universe as a priority. No contracts involved. But as regards the number of rapes that are taking place in this country, and I repeat along the East/West Corridor, I am not seeing that effort on the part of the Government. *[Desk thumping]*

I hope Mr. Speaker, that they will get up, be serious, stop fooling around, stop making empty promises, and protect our womenfolk from the heinous crimes that are being perpetrated against them.

I thank you, Mr. Speaker. *[Desk thumping]*

The Minister of National Security: (Sen. The Hon. Joseph Theodore): Mr. Speaker, I wish to inform this honourable House that the Government has been giving serious consideration to various strategies to combat the prevalence of rape in the country, and has been utilizing the resources of both the Ministry of National Security and the Ministry of Social and Community Development.

Rape Crisis in the East
[MR. HART]

Friday, January 22, 1999

With respect to the Ministry of National Security, Mr. Speaker, on January 13, 1999 at a meeting held between the Commissioner of Police, senior police officers, and myself the issue of the current spate of rapes being committed against women of this country featured prominently in our discussions.

The Commissioner of Police indicated the following measures to bring the situation under control. The Commissioner indicated that special Task Forces have been established at all police districts along the East/West Corridor. Moreover, police officers throughout the country have been instructed to intensify their patrol. The police service will continue to work through the Community Policing Unit to develop a proactive approach to dealing with rape and other violent crimes against women.

Mr. Speaker, in this regard the Community Policing Unit is at present being expanded to increase the number of police officers in each district. In fact, community policing has now been incorporated into the training programme for recruits to the police service to ensure that eventually all police officers will be trained in community policing.

Mr. Speaker, the Community Policing Unit has been given special responsibility for educating and sensitizing the population to the problem of rape through their lectures to schools, youth clubs and community groups. Moreover, community police officers have been receiving ongoing training in the appropriate manner of interacting with victims, not only of rape, but also those of domestic violence, and sexual abuse. This means, Mr. Speaker, that victims should have no fear to approach the police to report matters that are intimate to them as in the case of rape.

Mr. Speaker, with respect to the Ministry of Social and Community Development, an *ad hoc* Committee was convened at the request of the hon. Minister of Social and Community Development, Mr. Manohar Ramsaran, to develop an action plan to address the rape situation in the country.

5.25 p.m.

I have said that on more than one occasion—that the Ministry of National Security is not concerned only with interdiction and arrest, but we are contributing towards efforts for reduction and prevention of crime, so we have been working very closely with the Ministry of Community and Social Development.

This committee comprises representatives of the Ministries of Health, Sport and Youth Affairs and Social and Community Development and the Rape Crisis

Society of Trinidad and Tobago. The Committee held its first meeting on Friday, January 15, 1999.

A second meeting was held on Monday, January 18, 1999, at the Ministry of Social and Community Development. The Committee was expanded to include the Community Police, the Information Division and the Ministry of Education. Minister Ramsaran indicated that the measures being proposed by the Committee will be implemented in the short-term and steps will be taken to institute long-term solutions.

Mr. Speaker, the committee has determined, based on available data, that during the period 1997 to 1998, 97 per cent of the women who were raped were between the ages of 15 to 26 years. It was also noted that most of the rapes were committed by persons known to the victims and by adult males. The committee also noted that in some cases, the victims were drugged and then raped. Mr. Speaker, the committee, therefore, recommended that maximum prison sentences with strokes be imposed on perpetrators in the short term to act as a deterrent to perpetrators committing further crimes against women.

It was decided, therefore, that in the short term, measures should be implemented to reduce the incidence of rape by targeting females who are at risk during the carnival season. It was recommended that a pro-active approach be adopted by implementing a comprehensive public education campaign to address the dilemma faced by the nation.

Mr. Speaker, a Public Relations Sub-Committee was also formed to develop strategies to inform and educate members of the public about the current crisis. The recommendations are:

- Publication of safety tips for women;
- training of women in self defence techniques;
- production of posters with appropriate messages to be distributed throughout the nation especially at shopping malls, taxi centres, schools and fete sites;
- production of banners for the carnival season;
- hosting popular theatre at key locations such as the Brian Lara Promenade;
- panel discussions on television—both in the morning and evening;
- call-in hot line service on television;

publication of newspaper articles at regular intervals;

- the committee will hold a meeting with entertainers, especially calypsonians, radio disc jockeys, fete promoters and masters of ceremony to enlist their support to highlight the issue during the shows and in getting young women to be more cautious and young men more respectful towards them.

I am pleased to say, Mr. Speaker, that based on reports in the news, a number of fete promoters have actually been doing this, and indicating to patrons that they should not allow the enjoyment to lead to violence. And we appreciate that certain members of the public are, in fact, buying into the idea that they play an important role in reducing the violence, and should not stand by, allow it to happen, and then say it is the fault, that the police were not on spot.

I continue, Mr. Speaker:

- Letters would be issued to community organizations, religions bodies, schools, corporate sector and media houses to highlight the problem and indicate steps that can be taken to reduce the incidence of rapes. A roving programme on rape is to be aired on Radio 105, Radio 102 and Radio 96.1—a collaborative effort amongst the Rape Crisis Society, the National Family Services, the Community Development Division, Community Policing Unit and the Ministries of Sport and Youth Affairs and Education, to address the problem.

As I said earlier, Mr. Speaker, this is not a one ministry effort, but it is a collaborative effort between the ministries and the non-governmental organizations; and I hope that in time it would encompass the public and all the members of the various communities.

Requests will be sent to fete promoters to provide transportation so as to reduce the risk to females. A review of laws will be requested with regard to the sale of alcohol to minors in public places and fetes.

Mr. Speaker, in the long term, it was recommended that the issues of human sexuality in Trinidad and Tobago be investigated to develop a holistic approach to deal with the problem.

Other issues to be considered by the committee include the apparent lack of respect for women and other factors that contribute to the incidence of rape. Mr. Speaker, the committee is also of the view that appropriate counselling programme should be instituted at prison facilities in an effort to reduce the incidence of repeat offenders and to treat cases of sexual addiction.

Mr. Speaker, the most appropriate approach, however, according to the committee, would be the implementation of programmes on parenting with special emphasis on promoting health and family life.

In addition, Mr. Speaker, this honourable House is asked to note that the Government intends to introduce legislation to deal with the issue of rape. At present, the Sexual Offences Bill 1999, is being drafted and would include provisions aimed at increasing penalties against sexual offenders.

Mr. Speaker, it is a pity, as the Member for Tunapuna stated, that the issue of rape is being treated as a joke in some circles. I am sure that it would assist a great deal if the Members of this honourable House, certainly those on the Opposition Benches, could advise and assist their constituents in following the guidelines that have been laid down, which would enhance their safety, because safety begins with the individual. And this, I trust, will be done, very much, as is being done by the Members of Parliament here on the Government Benches who are making a positive effort to deal with the problem about which we are concerned.

I thank you, Mr. Speaker. [*Desk thumping*]

Question put and agreed to.

House adjourned accordingly.

Adjourned at 5.35 p.m.