

*Leave of Absence*

*Tuesday, April 20, 2004*

**SENATE**

*Tuesday, April 20, 2004*

The Senate met at 1.30 p.m.

**PRAYERS**

[MADAM PRESIDENT *in the Chair*]

**LEAVE OF ABSENCE**

**Madam President:** Hon. Senators, I have granted leave of absence to Sen. The Hon. Knowlson Gift, Sen. The Hon. Rennie Dumas and Sen. Sadiq Baksh from today's sitting of the Senate.

**SENATORS' APPOINTMENT**

**Madam President:** Hon. Senators, I have received the following correspondence from His Excellency the President, Prof. George Maxwell Richards:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS,  
T.C., C.M.T., PhD, President and Commander-in-Chief of  
the Republic of Trinidad and Tobago.

/s/ G. Richards  
President.

TO: MRS. JOAN HACKSHAW-MARSLIN

WHEREAS Senator Rennie Dumas is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, JOAN HACKSHAW-MARSLIN, to be temporarily a member of the Senate, with effect from 20th April, 2004 and continuing during the absence from Trinidad and Tobago of the said Senator Rennie Dumas.

Given under my Hand and the Seal of the  
President of the Republic of Trinidad  
and Tobago at the Office of the  
President, St. Ann's, this 15<sup>th</sup> day of  
April, 2004.”

*Senators' Appointment*  
[MADAM PRESIDENT]

*Tuesday, April 20, 2004*

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., PhD, President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards  
President.

TO: MRS. MAGNA WILLIAMS-SMITH

WHEREAS Senator Knowlson Gift is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, MAGNA WILLIAMS-SMITH, to be temporarily a member of the Senate, with effect from 20th April, 2004 and continuing during the absence from Trinidad and Tobago of the said Senator Knowlson Gift.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 16th day of April, 2004.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., PhD, President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards  
President.

TO: DR. TIM D. GOPEESINGH

WHEREAS Senator Sadiq Baksh is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Leader of the Opposition, in exercise of the power vested in me by section 44 of the

Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, TIM D. GOPEESINGH, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Sadiq Baksh.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 19th day of April, 2004."

#### **OATH OF ALLEGIANCE**

*The following Senators took and subscribed the Oath of Allegiance as required by law:*

Joan Hackshaw-Marslin, Magna Williams-Smith, Dr. Tim D. Gopeesingh.

#### **RULING ON WRITTEN ANSWERS**

**Madam President:** Hon. Senators, you would remember that I had promised to bring a ruling today on a matter. A written answer is primarily a matter between the Minister and Senators. The President will not intervene in regard to its contents, unless when it is printed it is brought to the President's attention in the House.

Hon. Senators, you will recall that at the last sitting Sen. Wade Mark asked that I rule on the issue concerning the responses he received to written answers to questions Nos. 26 and 27 of the Senate.

Having examined the issue and the practice, not only in this jurisdiction, but in several other jurisdictions, the following is my ruling for the benefit of all other hon. Senators.

Questions are an important means by which Senators are accountable to the Senate. For a Minister to respond in an irrelevant manner is to act contrary to the spirit of the question process. Therefore, it is incumbent upon Ministers to treat questions in a manner that is consistent with their constitutional responsibilities. Our question system is based on the assumption that Ministers will try to give informative replies to the questions they are asked. But I loathe to think that a Minister must be guided as to manner or the information to answer any question. That must be a matter at the discretion of the Minister. A Minister must attempt to give a reasonable answer to a question. However, this does not mean that the Minister's reply will be satisfactory to the questioner. The Minister is ultimately responsible for the reply given, not the presiding officer, and the President cannot

force the Minister to reply in a particular way even if the reply is not fully satisfactory.

Hon. Senators, I must reiterate that the President has no jurisdiction to determine whether the answer to a question is correct. Moreover, the President cannot force a Minister to give an answer to a question, and has no responsibility for the quality of the answer that is given, nor its content. Having said that, however, the Government is reminded that accountability to Parliament is the cornerstone of our parliamentary democracy.

#### **TELECOMMUNICATIONS (AMDT.) BILL**

Bill to amend the Telecommunications Act 2001, brought from the House of Representatives [*The Minister of Public Administration and Information*]; read the first time.

#### **INSURANCE (AMDT.) BILL**

Bill to amend the Insurance Act and for matters related thereto, brought from the House of Representatives [*The Minister of Finance*]; read the first time.

#### **PAPERS LAID**

1. Loan Contract No. 1523/OC-TT between the Republic of Trinidad and Tobago and the Inter-American Development Bank Public Sector Reform Initiation Programme March 17, 2004. [*The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill)*]
2. The report of the Central Bank of Trinidad and Tobago for the year ended September 30, 2003. [*Sen. The Hon. C. Enill*]
3. The National Insurance Board annual report for the year 2003. [*Sen. The Hon. C. Enill*]
4. Regulated Industries Commission Budget and Planned Activities Report for year ending December 31, 2004. [*The Minister of Public Administration and Information (Sen. The Hon. Sen. Dr. Lenny Saith)*]

#### **ORAL ANSWERS TO QUESTIONS**

##### **United Nations Convention (Ratification of)**

**49. Sen. Wade Mark** asked the hon. Attorney General:

*Could the Attorney General state:*

- A. Whether the Government of the Republic of Trinidad and Tobago has ratified the United Nations Convention Against Corruption?

- B. If the answer to (A) is in the negative, would the Attorney General state:
- (i) why this particular convention has not been ratified; and
  - (ii) when would Trinidad and Tobago be in a position to ratify this convention?

**The Attorney General (Sen. The Hon. John Jeremie):** Madam President, the question is in two parts. Part B is divided into two parts. The first part is as follows:

The answer to A is in the negative.

The answer to the part B of the question is as follows: The Government of the Republic of Trinidad and Tobago has signed the United Nations Convention Against Corruption at the signing ceremony which was held in Mexico from December 09 to December 12, 2003, a couple of months ago. The Convention has not been ratified to date.

At present the Government of Trinidad and Tobago is in the process of studying the obligations imposed by the Convention and preparing the domestic legislation which is necessary to give effect to the obligations outlined under the United Nations Convention Against Corruption. This is the reason this particular Convention has not been ratified just yet.

The answer to (ii) is that the Government of the Republic of Trinidad and Tobago will be in a position to ratify the Convention when the pieces of legislation have been proclaimed and assented to. I should add that the Government intends to ratify the Convention as soon as it is capable of incorporating its provisions into domestic law. Should any provision of the implementing legislation require a constitutional majority under the Constitution, there would, of course, be the necessity for Opposition support and I look forward to that cooperation in due course.

Thank you, Madam President.

**Sen. Mark:** Madam President, through you, could the hon. Member indicate what time frame he anticipates as it relates to the formulation of domestic legislation to reflect the provisions of the United Nations Convention Against Corruption? And, therefore, whether he can give us a broad time frame; whether it would be next 24 months, next 13 months, as the case may be?

**Sen. The Hon. J. Jeremie:** I am happy to reply. We are attempting to have the domestic legislation ready in less than six months. That is our outside period. I

should add that the Convention contains very strong provisions against corruption. In particular it contains a provision which speaks to illicit enrichment, which shifts the onus of proof in relation to corruption from the prosecution onto the accused where the accused has assets, which his means do not indicate that he ought to have. That is going to require amendment to the Constitution and support from the Opposition.

I am happy to hear of your interest this afternoon and I look forward to your support in due course.

**Sen. Mark:** Could the hon. Attorney General indicate whether he would be able to make available to this Parliament a copy of the Convention Against Corruption so that all Senators would be able to properly study the document?

**Sen. Hon. J. Jeremie:** I am sure that it is readily available. It is available on the United Nations Website but in short, I can undertake to do that by the next sitting of the Senate.

#### **LNG/Elba Island Regasification (Revenue Losses)**

**53. Sen. Wade Mark** asked the hon. Minister of Energy and Energy Industries:

Will the Minister state:

- (i) Whether the Government of Trinidad and Tobago suffered any losses in terms of revenue as a result of the shipment of LNG to the Elba Island Regasification platform?
- (ii) If the answer to (i) is in the affirmative, could the Minister inform this Senate what was the amount in Trinidad and Tobago dollars?

**The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith):** Madam President, I have a very comprehensive reply to this question. The Government of Trinidad and Tobago suffered no losses in terms of revenue as a result of the shipment of LNG to the Elba Island regasification terminal.

In light of the answer to (i) there is no answer to (ii).

**Sen. Seepersad-Bachan:** Madam President, through you, some time at the beginning of January there was a press conference and the Minister of Energy and Energy Industries indicated there was a loss of \$16 million. Could the Minister elaborate then, if he is saying there were no losses, what that \$16 million was?

**Sen. The Hon. Dr. L. Saith:** Madam President, I did talk to the hon. Minister and as far as I am aware he never indicated there would be a loss of \$16 million. What happened there was that one company, BG gas, took over the responsibility of El Paso which had gone into liquidation. The terms and conditions of the sales have remained the same.

**Sen. Seepersad-Bachan:** Madam President, I am just saying this because that is what was clearly stated. It was a loss as a result of the Government share of gas that was shifted. I just wanted to make that point.

Madam President, through you, a point—has the Elba Island issue meant that there are regular shipments and that we would suffer no losses in the future?

**Sen. The Hon. Dr. L. Saith:** As far as I am aware.

#### WRITTEN ANSWER TO QUESTION

*The following question was asked by Sen. Sadiq Baksh:*

#### **Mr. Karl Hudson Phillips, Q.C.**

- 12.** Could the Attorney General, with respect to services rendered to the State, inform this House:
- (a) of the dates on which Mr. Karl Hudson Phillips, Q.C. was retained during the period January 01, 1996 to December 31, 2003?
  - (b) by whom and for what purpose was he engaged on each occasion?
  - (c) what was the amount paid to him for each engagement?
  - (d) whether any reports and/or recommendations were made by Mr. Hudson Phillips, Q.C. on any of the occasions he was engaged?
  - (e) if the answer to (d) is in the affirmative, would the Attorney General indicate:
    - (i) to whom and on what dates were these reports and/or recommendations made; and
    - (ii) provide details of any such reports and/or recommendation?

*Vide end of sitting for written answer.*

**TRINIDAD AND TOBAGO POSTAL CORPORATION (AMDT.) BILL**

[Third Day]

*Order read for resuming adjourned debate on question [March 09, 2004]:*

That the Bill be now read a second time.

*Question again proposed.*

**Madam President:** I believe the Minister was closing off at the time. Will you continue please, Madam Minister?

**Hon. P. Beckles:** Thank you very much, Madam President. I would like, first of all to start by thanking colleagues, both on the Opposition Benches and the Independent Benches, for their contributions during the course of the deliberations of the Bill to amend section 34 of the Trinidad and Tobago Postal Corporation Act, No. 1 of 1999.

Madam President, the common themes throughout the contributions of the Senators revolved around performance or non-performance as some indicated, the need for accountability and transparency and, the future of the Trinidad and Tobago Postal Corporation. Some of the specific concerns raised were whether the targets and objectives under the delegated management arrangements were being attained, whether the Trinidad and Tobago Postal Corporation are carried out in conformance with the provisions of the Act and issues raised in the Auditor General's Report on TTPost and initiatives taken to address those issues raised and plans for the future of TTPost.

Madam President, in responding to the concerns I would like to locate my response in the context of the Bills before the Senate and the factors that gave rise to the need for the extension of the exemptions being sought through the amendment to section 34 of the Act.

As it stands, section 34 of the Act exempts the Postal Corporation for a period of three years specifically from taxes, duties, fees or other charges incurred in the performance of its functions and where goods are imported by or on behalf of TTPost, or the commercial sale to TTPost of goods or services which in the opinion of the Board of Inland Revenue required for the purposes of TTPost the goods and services shall be exempt from the value added tax.

The Act was renewed in February of 1999. The exemptions for which the section provided actually expired in February 2002. Under the term of delegated management authority, it was envisaged that the capital investment plan in respect of where the legislation provided exemptions would have been completed in a three-year period. It is clear that from section 34 the intention was to minimize the



pressures on TTPost as a statutory corporation while undertaking modernization, upgrading and expansion of the country's postal infrastructure.

Madam President, I wish to emphasize that under the previous administration the procurement process was delayed by some 18 months until the World Bank, which was providing partial funding for this postal sector reform project, had given its approval for the procurement policies and the specific procedure to be applied since they were partially funding the project. In effect, therefore, the exemptions provided under section 34 would have already expired before the procurement actually commenced. As a result, of course, of the strict adherence to the TTPost World Bank procurement policies and procedures, further delays were experienced during that 18-month period and it left the corporation to fully implement its full capital investment plan.

I give this background in order to explain the context in which this particular amendment has been sought. If I can deal first of all with the issue of performance which was one of the major concerns raised by Senators.

The actual process in terms of reforming the postal sector started in 1999 and the express purpose for that reform was to modernize what was seen as an underachieving postal sector. At that time the annual per capita mail volume stood at 12.6 pieces; low among even some of the Caribbean islands and much lower than other countries with an equivalent GDP.

Postal volumes, as we know, continue to grow not keeping pace with the economic growth indicating that the sector was not doing its share to support the overall development of the country. We all knew at that time that there was concern both in the public and the private sector and that there was some loss of confidence as it relates to the performance of the postal sector at that time. As a matter of fact, there was a 20 per cent drop in the overall mail volume between the periods 1995 and 1999. The service at that time was quite poor by international and even by regional standards and sometimes mails would take as much as seven to 10 days to be delivered and sometimes even more.

**2.00 p.m.**

The postal reform strategy that was pursued was intended to mark a clear break with the past and the World Bank partially supported this project. As one of the conditions to supporting the project, they themselves conducted workshops, gave policy advice and, in addition, long-term planning of the postal service.

**Sen. R. Montano:** Madam President, on a point of clarification. I thought that the purpose of the reply was to do just that—to reply. I have been listening with

great interest to what the Minister is saying but I have not heard—I do not know if I am being “anticipatory”, but we had certain specific objections and concerns. I do not presume to speak for the Independents, but they also had very specific concerns. What I am hearing from the Minister, interesting as it is, has not dealt with any of those concerns. *[Interruption]* I did not say it was a point of order. I said it was a point of clarification. I would like to know whether the Minister is going to deal with those concerns or not.

**Madam President:** I think we should give the Minister an opportunity to continue and most probably she would attempt to deal with those issues.

**Hon. P. Beckles:** Madam President, I have not known my colleague to be impatient, but I ask him, on this occasion, to afford me some patience. I recall that he raised some concerns, but several persons spoke on this matter. I think it was five Opposition Senators and five Independents. I think I can take the liberty to say that he is not speaking for everybody. I think the information I am giving is extremely relevant. If he would just bear with me, I would give him as much as I can. *[Interruption]* I do not know that it is in his position to tell me when the information should come.

The hon. Senator came in a little late. I made it very clear that it was important to give this information in the context of why the postal reform project was done. While Sen. Montano is a member of the regime and therefore would be privy to this information, I do not think everybody else is. *[Interruption]* *[Laughter]*

He says he was barely in the PNM. I am not sure what the definition of “barely” is. Seriously, I ask Sen. Montano just to bear with me. I am saying this in the context of indicating to Senators that the purpose of this postal sector reform project was to restore confidence in the whole postal sector and to deal with issues of revenues and the quality of service that did not exist before. The Delegated Management Arrangement was selected as the vehicle for achieving the first phase of this postal sector reform.

By way of information, the New Zealand Post International Limited, which is now Transend, was the company given that Delegated Management Arrangement and the payment was based on customer satisfaction, universal delivery service, transit time, revenue growth and net income. That is the context in which we have to examine some of the concerns that they have raised as to whether or not they met these specific targets.

Several persons raised the concern that they did not feel that the quality of service was there. I need to indicate some statistics that would probably bring them a little clearer on exactly what the performance was. The satisfaction target was 75 per cent in year 2 to 85 per cent in year 5. In year 2, the target was 75 per

cent—in January, the target met was 77; in June, 78. In year 3, the target was 78 per cent—the target in January, 80 per cent; in June, 78. In year 4, the target was 71 per cent—in January, they met 79.8; in June, 80 per cent. The target for year 5 is 84 per cent and in June, it stood at 81 per cent.

Having done the customer service satisfaction, in year 2, the target was 75 per cent. In January, the survey indicates that they met the target of 77.4 per cent; in June, 77 per cent. In year 3, the target was 78 per cent—January, 76.6 per cent; June, 77 per cent. In year 4, they should have met a customer satisfaction target of 81 per cent. The survey said that in January, they met 79 per cent and in June, 82.9 per cent. In year 5, they are expected to have customer satisfaction of 84 per cent and they met 81.4 per cent in June.

The universal delivery is the other target specified under the agreement. The reason I am indicating these is that these were the specific factors that the World Bank and the Government at that time gave TTPost to meet. That was the target.

**Sen. Prof. Deosaran:** Allow me, please. I am sorry to interrupt you. I think it would be helpful for us, Madam President, if the Minister would tell us who conducted this satisfaction survey. Was it an in-house survey or did an independent unit do the survey?

**Hon. P. Beckles:** Independent persons conducted the surveys. I think that Sen. Mary King conducted one of these surveys on customer satisfaction?

**Sen. King:** No, Madam President. I never did customer satisfaction. They wanted to do a study on the accessibility of their network and whether people were able, in all the areas of the country, to access TTPost. That is the study that I did.

**Hon. P. Beckles:** I know that two surveys were done. I can probably find out in a while exactly who conducted them.

In terms of the universal delivery objective, this was one of the conditions of the World Bank, and therefore they would have actually been part of ensuring that the persons who did that survey would not have been in-house. That is one of the requirements. The universal delivery objective, which is aimed at ensuring that home delivery is available to as many in Trinidad and Tobago as possible, have targets ranging from 221,413 delivery points in year 1 to 339,215 delivery points in year 5.

**Sen. Seetahal:** May I ask a question Minister, I am not sure I understand what you are saying. You have just given out some numbers, but I recall reading from

the targets set and I think that the fifth year was to have been 100 per cent. You said something about 339,000. What does that mean? Have you achieved the targets by three-quarters of what you said you were going to? Have you achieved 94 per cent, I think it was, in universal delivery in the second year? That is the kind of thing I want to know.

**Hon. P. Beckles:** I am coming to that.

Madam President, in 1999, it was estimated that the delivery network would reach 50 per cent of the households. By comparison, world-class postal systems provide a home delivery between 95 and 99 per cent of the households and businesses. The Delegated Management Authority universal delivery obligation meant that TTPost had to nearly double its home and business delivery in order to meet world-class standards. In this regard TTPost has substantially increased its delivery reach from 182,302 delivery points in 1999 to 325,986 delivery points as at February 2004 and is on target to reach 339,216 delivery points or a 96 per cent household/business by the conclusion of the DMA in June 2004.

There have been increases in the use of mobile postees, which are bicycles and motorcycles; and there has also been the installation of 5,000 cluster boxes and these provide for the delivery closer to home than franchises by 24 hours. The related measurement of postal reach is increased by efficiency of delivery and despite adding 23,032 new delivery points in year 4, delivery efficiency continues to improve. The typical postee now serves an average of 598 delivery points as opposed to less than 300 in 1999. Districts served by scooters are delivering 800 to 900 points and can be expected to eventually serve 1,000 to 1,200 delivery points.

As it relates to the issue of transit time, which is another issue that was raised, there has been a significant improvement with an all time high of 78 per cent at the start of year 5—the target in 2001 being 85 per cent. At that time only 52 per cent was met. In 2002, there was a 93 per cent target; 55.7 per cent was met. In 2003, there was a 95 per cent target and 65.7 per cent was met and in 2004, 96 per cent. As at February 2004, it is 78 per cent. Madam President, in this area progress can be gleaned by noting that prior to the Delegated Management Authority, less than 50 per cent of the mail was delivered within two days, with some mail taking as many as seven to 10 days and we can see, based on that, that there has been a considerable increase.

To answer the question of Sen. Prof. Deosaran—

**Sen. Prof. Deosaran:** I just wanted clarification from the Minister. I wonder if in making her comparison—pre-New Zealand Post and in the period of New

Zealand Post—the Minister would be kind enough to indicate what moneys were available to the Postmaster General in the pre-New Zealand Post period and what powers the Postmaster General had to carry out reforms compared with the moneys and resources made available to New Zealand Post and the degree of autonomy granted to them. The comparison is useless if these figures are not given.

**Hon. P. Beckles:** Unfortunately, at the time the concerns were raised, that particular issue was not raised. I cannot give you that information off the top of my head. I am willing to give that kind of data, but I do not have it with me.

To answer Sen. Prof. Deosaran, the two consultants are Warren Thompson & Associates and Trends Limited, for the customer satisfaction.

As it relates to the issue on the revenue growth, which was another issue that was raised, the Delegated Management Authority imposes a requirement for revenue growth in each of the five years of the management contract, including a sub-objective in growth in revenue for new business during the two to five-year contract. The specific targets, with respect to overall revenue, ranges from \$60,575,000 in year 2 to \$84,720 in year 5. The target total revenue growth in year 2 was \$60,575,000 and the actual was \$64,265,000. In year 3, the target was \$68,038,000; the actual was \$68,377,000. In year 4, the target was \$76,776,000; the actual was \$83,672,000. In year 5, the target was \$84,720,000. The actual for this year is not yet available. It would be available at the end of the financial year. It is important to note that much of the increases in revenue derived from new business, the revenue from which increases by nearly 50 per cent in each year during year 3 and year 4.

During the first four years of the DMA, new products came on stream—bulk business, direct mailing, domestic courier service, international courier mail packaging and several other services that I think you are all familiar with and I do not really need to mention. The initial DMA net income targets were as follows:

Year 1	a loss of \$6,594,000
Year 2	a profit of \$774,000
Year 3	a profit of \$10,048
Year 4	a profit of \$16,594
Year 5	a profit of \$9,843

**Sen. King:** Madam President, could we ask how that relates back to the Auditor Generals reports which we use in Parliament?

**Hon. P. Beckles:** I said that the initial DMA net income targets were as follows. However, in September 2001, the DMA net income targets were adjusted downwards as a result of a decision by the previous administration to remove the requirement to affix the postage stamps on certain legal documents. This resulted in a loss to TTPost. The initial revenue loss was calculated at \$8 million, but based on the information from the Ministry of Legal Affairs, the removal of those moneys that should have gone to TTPost was in fact \$10 million. This change meant that the corporation's net income target changed from becoming profitable in year 2 to planning for losses until year 5, based on the losses of money every year. Adjustments therefore to net income targets together with the actual results—if you all would be interested in that information—

**Sen. King:** On a point of clarification. Can we assume that stamp duties are government duties and taxes? How could TTPost have expected to have in their revenue government stamp duties?

**Hon. P. Beckles:** That always existed. All this meant was that this was removed. The adjustment of the net income target with actual results:

Year 1

Net income target      \$ 6,594,000

Actual                      \$ 4,353,000

Year 2

Net income target      \$13,988,000

Actual—

**Sen. R. Montano:** Madam President, I am sorry to interrupt the Minister on a point of clarification. To my knowledge in 30-plus years as a practising attorney, stamp duties do not go to TTPost nor did it go to the predecessor of TTPost. Stamp duties go into the revenue. When you stamp a deed, that stamp duty does not go to the postal corporation nor did it go to its predecessor, it goes to the revenue office.

**Hon. P. Beckles:** If you would just permit me; as you recall, what would have happened is that you would have purchased the stamps for the registration of the deeds and the other documents. When that was removed—and I am sure you recall that there was an embossment—they lost on the purchase of the stamps. I am sure that is not a disagreement.

Part of the Delegated Management Agreement was that the parties agree to include the stamp duty revenue. I am sure that is something Sen. Mark can clear

up. Later on, they changed that, which meant that TTPost would have lost about \$12 million revenue. That was an agreement and it was subsequently changed by the government, which meant that they had a considerable loss yearly based on that. Based on the information, it would be noted that there were revised targets for the deficits in years 1 to 4, with a relatively small profit therefore in year 5.

What also would have happened, therefore, is that you would have had basically undercapitalization of TTPost. The working capital of \$16.5 million provided as opposed to an estimated \$40 million to \$50 million as agreed in the Delegated Management Authority was inadequate to move TTPost into the position of profitability from year 2 of the DMA. As I said, this was an agreement. When we look at what has happened and what TTPost has achieved as it relates to its revenue growth targets, given the constraints on the capital, the administration, recognizing the issue, convened a special inter-Ministerial Cabinet-appointed committee to recommend options for the capitalization of TTPost. The report of this committee has now been completed and that is now before me for consideration.

The other issue that will deal with some of the concerns raised, as they relate to not being able to meet their income, has to do with the vesting of the properties. We know that, under section 61 of the Act, those properties under the management of the then Postmaster General were to be vested in TTPost in a 12-month period. In other words, that should have been completed in February 2000. An inter-ministerial committee was set up first under the UNC, but none of the vesting consistent with the 1999 Act had taken place up to that time and therefore TTPost did not have the opportunity to gain revenue, such as rental income, from the property sources. I am simply saying that this was part of the agreement made between TTPost and the government at that time.

Under this administration the inter-ministerial committee on vesting was reconstituted in April 2003 and the committee has made significant progress. As at March 18, 2004, 38 properties have been surveyed and verified, 10 valuations have been completed and the committee now has an action plan. One of the terms of the agreement with the Delegated Management Authority was that, with those properties being vested in TTPost, TTPost would have been allowed to have revenue. I think we all know that those are substantial properties that I am talking about.

**Sen. Seetahal:** Do you mean the old post offices? The plan would have been to rent these to private people?

**Hon. P. Beckles:** As TTPost saw. The agreement was that, under the government, all the post offices throughout the country would have been vested in TTPost and they could have upgraded them and rented them. There are several prime properties, for example, on Wrightson Road, in Tunapuna and in Arima, which needed to be vested in TTPost before TTPost could adequately earn revenue.

**Sen. Seetahal:** When you say vested, do you mean transferred without their paying any money for it? Was it just going to be given to TTPost, which is a separate corporation? It is a company constituted under an Act. Was the government going to take government buildings, as I see it, and just give it to them? Is that what you are saying? And because they did not give them, they could not get rent?

**Hon. P. Beckles:** It would still be the same, but the objective behind the agreement is that they would be allowed to earn revenue, which would not have put them in the position that they are today. Having had the Act, I do not think they wanted a simple arrangement where the properties all remained vested in the Postmaster General. What it would have allowed them to do is to enter proper agreements with persons for the purposes of earning revenue. I think that was one of the requirements from both the Auditor General and the World Bank. That is specifically stated as part of the agreement between TTPost and the government at that time.

The other very interesting point is that under the commercial funding for the National Mailing Centre, which is located at Piarco, it is to be underscored that a decision was taken in 1999 to fund the land purchase of the mail centre at Piarco through the commercial market rather than a concessionary loan given by the World Bank, which was going to be much less. This particular loan, for which the then government agreed to go on the commercial market, has been costing TTPost an additional \$6.5 million per annum in loan interest and principal payments. Further, it is to be noted that while TT \$4 million was paid for the land, the estimated market value was TT \$2.7 million.

**Sen. King:** Madam President, on a point of clarification. Could I ask who did the valuation of the land for them and who authorized the purchase? Who owned the land is more important to me.

**2.30 p.m.**

**Hon. P. Beckles:** I would ask in a while to get the exact owner of the land. The government of the day would have entered into the arrangement for the



commercial loan, for the purposes of the facility. Who did the valuation? I imagine, Sen. Seepersad-Bachan, you were in government at that time.

**Sen. Seepersad-Bachan:** I was not in government at the time. On a point of clarification. I was in government at the time but what the Senator is asking: before a purchase of any asset is made, there must be some sort of evaluation in terms of the market value. Who did the evaluation? Was that process followed? I would like the Minister to shed some light on that please.

**Hon. P. Beckles:** As soon as I get that information I will give you.

**Sen. R. Montano:** Madam President, on a point of clarification. I am a person who always believe in coming straight to the point. I do not believe in these circuitous things. What I understand from the Minister is that TTPost bought a property for over \$4 million, when the proper market value was \$2.7million. The inference to be drawn therefore—certainly what I am drawing from what the Minister is saying—is that there was some sort of corrupt practice involved. Is that what she is saying? If that is what she is saying, then the question that I have—assuming that I am correct in the inference that I have drawn from it—is she saying that TTPost knowingly took part in a corrupt practice?

**Hon. P. Beckles:** The arrangement with TTPost for the purchase of the property was done by the government. You are asking me to draw a particular inference which I am not going to draw. What I will say is that the matter is under investigation. The information will definitely be made public.

**Sen. Seetahal:** Hon. Minister, if you are saying that for a property costing \$2.7 million, a state corporation paid over \$4 million, the inescapable conclusion, whether you want to say it or not, is that there is some kind of “bobbol”. More than that, it is a criminal offence. You are using money that belongs to the state coffers; whoever uses it: the corporation or the Government. In this case the corporation, which is a state corporation, has to take responsibility. It means that this matter should be reported. Is it reported?

**Madam President:** Everybody is making a speech when they get up to ask a question. I believe the Minister said that it is under investigation. Let us move on with that.

**Hon. Senator:** Under investigation by whom?

**Hon. P. Beckles:** Under investigation by me as Minister. I have asked for a report on the matter.

**Sen. R. Montano:** You have asked for it?

**Hon. P. Beckles:** Yes.

**Sen. R. Montano:** Your predecessor did not ask for it? When did you ask for this investigation?

**Madam President:** Minister, please continue.

**Hon. P. Beckles:** Madam President, I have indicated that when the UNC was in office, the World Bank offered the loan for the purchase at a special price and the Government went at a much higher price for purchase. I also said that my information is that the money paid for that property is more than what it was valued. I also said that the matter is under investigation.

**Sen. R. Montano:** With the greatest of respect, this is a most serious statement. Apart from the former government, it involves the Board of Directors of TTPost, the New Zealand people and the World Bank as well. This is a most serious statement. We in the Senate cannot be expected to just take—

**Madam President:** I agree. I understand concerns. I cannot have everybody getting up and making a speech on this matter. All we can do is maybe ask the Minister to bring us further information. We are all concerned. I do not know Madam Minister, what you can do where that is concerned.

**Hon. P. Beckles:** Madam President, I indicated that as soon as all the information is available, and I give the assurance I would make the appropriate statement in this honourable Senate.

**Sen. Mark:** One point of clarification. The Minister is imputing improper motives. If I understand what the Minister is saying, she is talking about the previous government, the UNC. Aspersions are cast across the board. It is not sufficient for the hon. Minister to simply tell us that an investigation has been launched.

We must know from the Minister—since this matter has occurred and the Government has been in power since 2002—there must have been sufficient evidence brought to her predecessor's attention that would have warranted referral to the Fraud Squad. We are getting loose statements. The Minister is casting aspersions on the Opposition.

**Madam President:** Sen. Mark, I made the comment earlier on that everybody is making a speech. The Minister's time is running out for one thing. If you have a point of order I can understand. Please do not make a speech. Minister, can you give us any further information? I think that is what everybody wants to know.

**Hon. P. Beckles:** Not at this time. I think we all know that these are matters that take a while to investigate but I am giving the assurance that I would make a statement.

**Sen. R. Montano:** On a point of order. These allegations are far too serious to be left just hanging in the air. The allegations involve, basically, not just the former government. [*Interruption*] The point of order is that the Minister is imputing improper motives. I must be allowed to explain it. This is stated in Standing Order 35(5). The Minister cannot make these statements. The allegations cannot involve just the former government. It has to involve the Board of Directors of TTPost at the time. It also has to involve Transend. It has to! You only have to look at it to see it!

**Hon. P. Beckles:** Madam President, that may very well be so at the end of the investigation, but at this point in time I am not going to say things that I do not know. What I have said is information that has come to me. If it is that at the end of the day it includes—

**Sen. R. Montano:** That is not my point of order!

**Madam President:** I am on my legs please! Just a moment, please.

**Sen. R. Montano:** She should withdraw the statement.

**Madam President:** Hon. Senators, the speaking time of the hon. Minister has expired. Senator, are you moving for the extension? I am sorry.

**Sen. R. Montano:** Yes, Madam President. I beg to move that the hon. Minister's speaking time be extended for such time and that the Standing Orders be suspended so that the Minister has as much time as necessary in order to be able to explain this. That is my Motion.

**Madam President:** Somebody needs to second that Motion.

[*Seconded by Sen. W. Mark.*]

*Motion made,* That the hon. Minister's speaking time be extended until all matters are clarified.

**Sen. Dr. Saith:** Madam President, just to be sure on what we are doing. We are extending the time—I am glad that they did, because they took approximately 15 minutes of our time—until such time as she deems it necessary to stop, not until it is clarified? [*Interruption*] Please, I want to be clear on what we are doing. We have extended the time. The Minister can talk for 10 minutes, 10 hours or 10 days, but it is her decision as to when she stops. When she stops we

are not going to get persons jumping up and saying: “You have not satisfied us.”  
On that basis—[*Interruption*]

**Madam President:** I would put the question again so that we are clear on what we are voting on.

*Question put and agreed to.*

**Sen. R. Montano:** Now that the Minister has so much time, would the Minister allow a point of clarification?

**Hon. P. Beckles:** Is this another Motion?

**Sen. R. Montano:** No.

**Madam President:** I do not want to have two people standing. Wait hon. Minister, he has asked for a point of clarification. Are you prepared to listen?

**Hon. P. Beckles:** Madam President, I thought he already raised the point of clarification.

**Sen. Mark:** You do not know what he is coming with again.

**Hon. P. Beckles:** A Motion is made and he puts a point of clarification after the Motion?

**Madam President:** Shall we give the Minister—go ahead.

**Hon. P. Beckles:** Madam President, the interesting thing is that I would probably want to suggest that my very good friend, Sen. Montano, come to the other place so he can put a similar Motion from time to time so that I can have more time to speak.

**Sen. R. Montano:** Have Achong resign and I will take his place.

**Hon. P. Beckles:** Are you returning to the PNM?

**Sen. R. Montano:** No. [*Laughter*]

**Hon. P. Beckles:** I will just take a drink of water for that. Both of us are drinking at the same time.

Madam President, I know Sen. Montano is very concerned about what I have just said, and rightly so. We are all concerned. The fact is that I have indicated that, based on the information that is there—not just there since I have assumed office—there have been certain information that would have come to my

predecessors as well. I am giving the assurance that once the investigation is completed I will come and be frank with the Senate, as it relates to all the information and findings.

**Sen. R. Montano:** Madam President, on a point of order. Nobody in this Parliament can come and make a statement such as the Minister has made. The point of order is 35(5): imputing improper motives. Nobody can make the kind of vague statement that the Minister has just made and then say: "I am conducting an investigation, so I will let you know." If the Minister can do that, expect us to come next week and the week after with similar statements. We would then say: "We are conducting an investigation into this, that and the other." Everybody will start saying: "Where is the evidence?" We would then say: "We do not have it, but when we finish our investigation." You cannot do that. There have been serious imputations cast against the previous government, the board of directors, Transend and the World Bank with nothing to show us that what the Minister was saying is correct.

Either the Minister must withdraw these statements for the time being and when she does have sufficient information, bring them back. Alternatively, she must proceed. She cannot come like this, otherwise if she can—

**Madam President:** We understand what you are saying. Hon. Minister, according to the Standing Orders, it might be better if you withdrew that statement until you come with the information. I do not think there is anything else.

**Hon. P. Beckles:** Madam President, if you rule I cannot object to your ruling. Standing Order 35(5) speaks of imputing improper motives to any Member. Sen. Montano said he was not in the government at that time.

**Madam President:** Let us not split hairs. What the Opposition is saying is that a number of people have been indirectly involved. Therefore, until we have the information, let us please not put it into the public domain. Hon. Minister, I would be obligated if you can do that.

**Hon. P. Beckles:** Once you indicate that ruling I would so do. [*Desk thumping*]

There were some other objectives, under the Delegated Management Authority, that required certain strategies for the improvement of the running of TTPost, for example an annual training plan and measuring and monitoring the performance of the employees at TTPost, as it relates to the capital investment plan. This is the plan which provides the framework for the execution of the

World Bank loan. The plan is on track for completion in December 2004, despite over a year's delay under the previous administration in commencing the implementation of that plan.

Sen. Mark suggested that the Government has been tardy in paying arrears of salaries and related allowances, due to TTPost employees arising from the recently concluded wages and salaries agreement arrived at with the PSA for the public sector employees. I wish to indicate that, as Sen. Mark certainly knows, particularly because of his involvement in the labour movement, we know that is an area for which he has certainly excelled. That agreement does not apply to employees of TTPost who, as you now, are no longer classified as public sector employees because of the agreement that was entered into at that time between New Zealand Post and the Government.

Notwithstanding that, the Public Sector Negotiations Committee has acted and there has been the approval for the increase to bring the remuneration of the TTPost employees in line with that of the public sector over the last six years. All that is left to do is to implement that decision.

The other issue that was raised is that of the Post Office Savings Bank which was eventually closed on November 09, 2002. The accounts were audited by the Auditor General and the Comptroller of Accounts. The balance of \$1.3 million was transferred to the deposit account No. 140-6, under the control of the Comptroller of Accounts. A notice was put in the daily newspapers that persons wishing to make claims, subsequent to the closure, should apply to the Comptroller of Accounts. The Chief Parliamentary Counsel was requested to finalize the Post Office Savings Bank Repeal Bill. The Cabinet decision was implemented.

In relation to the issue of accountability and transparency, a fundamental plank of this administration's approach to good corporate governance of state agencies is to ensure a high level of accountability and transparency.

During the last five years TTPost's performance has been measured and evaluated to a high degree in comparison to other national post administrations. This process is also conducted by third-party organizations with a high level of independence. I think that was a question that was raised earlier. Additionally, the operations and performance of TTPost and Transend are routinely assessed by the World Bank and the Auditor General. Most of you referred to the last report. I want to give the assurance to this honourable Senate that every effort has been made to adhere to these requirements as stated by the Auditor General.

In relation to the management fees and penalties, which also explain some of the concerns raised in relation to the Auditor General's report, the delegated

management authority, based on the agreement with the Government and TTPost, strong incentives were provided. It was agreed that a management fee of US \$5,349,738 be paid to Transend during the term of the DMA. However, Transend incurs a penalty each year, up to 8 per cent of the management fee for every DMA target that is not achieved by a margin of 10 per cent. This is to say that should Transend fail to achieve all five DMA targets by a margin of 10 per cent, Transend will lose 40 per cent of the management fees.

As will be deduced from the information that I have supplied, Transend has consistently met the DMA targets in respect of customer satisfaction, universal delivery service and revenue growth, but it has failed to meet the net income and the transit time targets. Consequently, the management fees payable to Transend have been reduced by 16 per cent for each year of the DMA. These penalties are worth US \$436,115.

The World Bank, since this agreement was signed, has had a total of six missions to Trinidad and Tobago to look at the progress of the DMA and the governance of TTPost.

**Sen. Seepersad-Bachan:** Madam President, on a point of clarification. The Minister mentioned US \$436,000 in penalties; was that actually incurred? Can the hon. Minister give us some information?

**Hon. P. Beckles:** Once you do not meet the target, yes. Based on the agreement, once you do not meet the target, the penalty becomes automatic. It means that the Government is giving a certain amount for the management fees. If you do not meet the target they will deduct it. You get less than what you are entitled to on both sides.

**Sen. Mark:** In the absence of the annual reports for us to make an objective analysis, we have to take what you are saying for granted.

**Hon. P. Beckles:** I am coming to that.

**Sen. Mark:** You are going to clarify this point?

**Hon. P. Beckles:** I am just wrapping up. I want to turn to the issue of the audit of TTPost undertaken by the Auditor General in respect of the years 2001, 2002 and 2003 and the comments made by several Senators who quoted extensively from the 2003 reports, as they relate to the weaknesses that were found for the proper accounting and controls and financial reporting systems, the non-establishment of the pension plan in accordance with section 37(1) of the Act and the non-vesting of properties in TTPost in accordance with section 61 of the Act. I want to put these issues in the proper context.

It is important to understand that 2001, 2002 and 2003 audits were all received from the Auditor General's Office in 2003. I know it was in the latter half of 2003. The 2001 audit was received by the corporation in February 2003. The 2002 audit was received in February 2003 and the 2003 audit was received in November 2003. That would explain some of the concerns that were raised.

It needs to be noted that the current board of TTPost, which was appointed in 2002, in the interest of discharging its duties in a prudent manner, had made representations to the Auditor General's Office that the audit be undertaken through a private auditing firm. Having regard to the consequences and the need to comply with the Act, that was not entertained. Therefore, they had to wait until all those reports were submitted in 2003.

It must be emphasized that from the receipt of the first report in February 2003, TTPost immediately took action to address the deficiencies identified. With the reports of 2002 and 2003 coming in such quick succession, they were not all dealt with together.

It is evident, from the audit, that a number of accounting problems existed in TTPost. Most important was the whole issue of the conversion of the accounting system from what existed before, which is basically a government cash to a commercial accrual basis, as well as reported gaps in the accounting skill base of many of the employees working there. That was a totally new system that had to be incorporated. There needed to be a whole setting up of a new accounting system, which has now come on board, of course, with the assistance of the World Bank. They have assisted in training some of the employees in terms of the whole system of accounting.

It is in this regard that it should be noted that many of the accounting staff at TTPost were brought from the old post office system. Having come from the old post office system to this new system, which was totally different, it took much longer for them to become accustomed to this commercial basis.

In these circumstances, the Ministry of Public Utilities and the Environment and TTPost, with the concurrence of the Auditor General, agreed to a particular action by bringing on board an auditor, based on the guidance and guidelines set by both the Auditor General and the World Bank. Pannell Kerr Foster was contracted, based on competitive bidding, to assist in the implementation of the improved policies and practices, including internal audit.

Based on what was specified by both the Auditor General and the World Bank, having had sight of the Auditor General's report, several meetings have



been held. I have been party to those meetings. All efforts have been made to ensure that all the concerns by the World Bank be addressed.

**Sen. Mark:** On a point of clarification. Was there not a training component in the agreement between TTPost, the World Bank and the Government of Trinidad and Tobago? Earlier you said the old staff—the workers who came across from the old postal system—were so incompetent and unable to carry out their duties within the new framework. I got the impression that you were blaming the workers for the various limitations that we have encountered based on the report. Was there a training component? If there was one, what kind of money was spent by TTPost over the last three years in training these workers to bring them up to a level that they could function within that new environment in which they were placed? I would like to get some clarification.

**3.00 p.m.**

**Hon. P. Beckles:** Madam President, what I said a while ago is that the employees moved from the Government's cash to a new commercial accrual system. Before that, I indicated that part of the agreement with the World Bank was training, and that was actually incorporated in part of the loan. One of the conditions of the loan was the training. The point I made is that the fact that a number of employees were moving from the old system to the new system—and since they had never dealt with this commercial accrual basis and so forth—it took a little longer. So, I did not say that there was no training. That was part of the agreement of the Delegated Management Authority (DMA).

The Senator also mentioned the issue with respect to the pension fund. On November 06, 2003, Cabinet agreed to the establishment of a pension fund on a date to be determined by the Minister of Finance. So that also answers the question that you have raised.

**Sen. Mark:** Could you give us a date? At least, we should get a report on that matter as to where we are, since we are now in April 2004. Do you have any information as to where we are? Maybe, the Minister of Finance could bring us up-to-date.

**Hon. P. Beckles:** What I would say is that Cabinet agreed to fund the payment of past service liability amounting to \$66 million over a 10-year period, as well as meeting payments for one year, in the first instance, to secure future pension benefits of TTPost employees. As it relates to the date, I cannot give you it offhand. Of course, it is a substantial amount of money, and we would have to look at that matter and see how soon we could deal with it in the budget.

Madam President, at the end of the existing contract with New Zealand Post, a thorough review would be done of the present arrangement. With respect to the issue of the purchase of the mailing centre, on August 06, 1999, at a board meeting, this was the resolution passed:

The board is desirous of purchasing a parcel of land for the establishment of a new mail centre for the corporation. The Ministry of Public Utilities has by a letter dated July 30, 1999, directed that a parcel of land identified at Golden Grove Road, Piarco, comprising approximately six acres be purchased by the corporation for such purpose.

Mrs. Savitri Baboolal, as the legal personal representative, in the estate of Prakash Baboolal, in whom the relative parcel is vested, by letter dated July 26, 1999, has offered to sell the said parcel to the corporation for a sum of \$4 million, such offer to be valid for a period of 14 days from the date thereof.

Whereas the valuation by Messrs. Raymond and Pierre disclosed a concern in respect of flooding, which was addressed by the Project Implementation Unit of the Ministry, the valuation of Raymond and Pierre was \$2.7 million.

Madam President, as it relates to the payment of duties and taxes raised by Sen. Seetahal, I wish to state that TTPost has stringently complied with the applicable laws relating to the payment of relevant taxes and duties. Since the lapse of the tax exemption in February, 2002, TTPost has been paying all taxes due under the laws of Trinidad and Tobago. Between February 2002 and December 2003, TTPost incurred and paid \$430,000 in taxes and duties, which they would not have had to pay, had the capital investment plan not been delayed for 18 months in the first instance.

**Sen. Seetahal:** So, if this Bill is passed, then they would get back the money they paid. That is the purpose of this Bill.

**Hon. P. Beckles:** Well, yes.

**Sen. Seetahal:** Because it is retroactive.

**Hon. P. Beckles:** But in keeping with what was agreed.

**Sen. Seetahal:** All right.

**Sen. R. Montano:** Madam President, on a point of clarification. I thank the Minister for reading out that bit about \$2.7 million and \$4 million. What I do not understand is this—I am coming right back to my point. Is the Minister

suggesting by reading out—and I am a very direct person—that point about the valuation that there was some—to use the vernacular—“bobbol”? Is the Minister suggesting that there was an overpayment of \$1.3 million? If so, is the Minister suggesting that there was something wrong with it? I want it clear, because if the Minister is suggesting that, understand what the Minister is doing. The Minister is implicating the former government and she is implicating the World Bank and she is implicating Transend.

**Madam President:** Senator, you asked a question, let the Minister answer.

**Hon. P. Beckles:** Madam President, all I have sought to do is to put a statement of fact. All I have done was to read into the record of this honourable Senate, the resolution of TTPost that they were directed by the Ministry to purchase the property. That is a statement of fact.

**Sen. R. Montano:** Madam President, with the greatest of respect, I would like to ask another question.

**Hon. P. Beckles:** How many times?

**Sen. R. Montano:** A million times, if necessary, until we get the answer.

**Hon. P. Beckles:** But my time is—

**Sen. R. Montano:** No, you have all the time in the world.

**Hon. P. Beckles:** I do not want all the time in the world.

*[Both Senators on their feet]*

**Madam President:** I cannot have two Senators standing at the same time. Sen. Montano, is this a different question that you are asking?

**Sen. R. Montano:** Yes.

**Madam President:** Is the Minister prepared to give way?

**Sen. R. Montano:** Madam President, what I am trying to find out is by the Minister presenting the so-called facts—

**Hon. P. Beckles:** Madam President, I am giving way providing it is a question.

**Sen. R. Montano:** It is a question and I have not got the question yet!

**Madam President:** Are you giving way or are you not giving way?

**Hon. P. Beckles:** Providing it is a question. The Senator is repeating the same thing over and over and I am prepared to answer, but I have given him many chances.

**Sen. R. Montano:** The question is—having regard to all that has gone before: Is there an imputation?

**Sen. D. Montano:** You have asked that question already. How many times are you going to ask the same question?

**Sen. R. Montano:** A million times, if necessary.

**Sen. D. Montano:** You cannot keep asking the same question over and over.

**Madam President:** Minister, that question was asked. Do you have an answer to that question? Was there an imputation of wrongdoing?

**Hon. Senator:** You do not have to answer yes or no.

**Hon. P. Beckles:** Madam President, the Senator is trying to literally put words in my mouth. All I have sought to do is to give a statement of fact. I have already indicated that I am not happy with what was stated there, and as soon as the investigation is completed, I would bring the findings to this honourable Senate. If I could just conclude my presentation by indicating—

**Sen. Bro. Khan:** Madam President, on a point of clarification. Madam Minister, I got the impression from what you said that TTPost received an instruction from the Ministry.

**Hon. P. Beckles:** Yes.

**Sen. Bro. Khan:** The point of clarification is, as far as you know, within the Government's regulations, or even within TTPost, to follow a direction, which was obviously, not proper, in my view, from what you have explained: Is there any regulation under which TTPost would have had to accept that? Also, when one looks at TTPost as an institution created to bring greater efficiency, obviously, the question of efficiency would include propriety as far as budgetary or financial activities are concerned.

**Hon. P. Beckles:** Sen. Bro. Noble Khan, thank you very much. That is precisely what is the nature of the investigation, and as soon as I am finished, I would certainly provide that information. *[Desk thumping]*

**Hon. Senator:** Well done.

**Hon. P. Beckles:** As it relates to the future of TTPost, the DMA represents the first phase of the postal sector reform project, and this is to be followed by a long-term arrangement, possibly involving private sector participation. The DMA would expire in June 2004. In September 2003, a Dutch firm, Netpost Consultancy BV,

was contracted by the Government through an international bidding process to make recommendations pertaining to the long-term options of the postal sector.

The firm has submitted a draft final report and an inter-ministerial committee is considering those recommendations. That consultancy was done together with the World Bank, as one of the persons who partially supported this project.

It is to be noted that in keeping with the terms and conditions of the DMA, the Government has agreed to give Transend the first option to negotiate the long-term agreement, but it is to be noted that Transend has indicated that it is not their intention to participate in the long-term arrangement.

I know that several concerns have been raised in the debate on several important issues. Senators have brought to bear their own knowledge of the postal sector and, particularly, because of the concerns that were raised by the Auditor General—all concerns being factual—what I have sought to do is to give the history of the project, and to give a bit of exactly what would have been responsible for the start of this postal sector reform.

Madam President, based on the DMA, I have specified exactly what was the agreement between Transend TPost and the Government, as it relates to what are the targets that were to be met in the agreement. I have indicated that they have met most of the targets. I think while all of us agree that there is room for improvement, I indicated what were some of the constraints in the way of Transend not being able to meet those targets.

**Sen. Mark:** Madam President, through you, could the hon. Minister explain to this Senate what was the basis for the absence of annual reports to this Parliament? We cannot make an objective analysis. We are hearing for the first time from the hon. Minister of all the achievements and targets that were met, but those are purely subjective. We have not seen anything before us. We cannot take the Minister's word.

**Sen. Dr. Gopeesingh:** Madam President, I think the Minister needs to show some empirical evidence for us to look at and analyse before coming with an informed decision.

**Hon. P. Beckles:** Madam President, I tried to give as much empirical evidence, as I could. I just want to repeat, again, as it relates to annual reports, that section 24 of the Act requires that an annual report, of which audited financial accounts form an integral part, be laid in the Parliament. It would appear that under the last administration, the 2000 report was never laid. I have directed

that TTPost reproduce this report in the interest of transparency, and the report would be laid in Parliament as soon as possible. Annual reports for the years 2001, 2002 and 2003 were delayed pending the receipt of the Auditor General's report, which is a requirement of the agreement. I specified the dates on which TTPost sent the accounts, and I specified the dates on which the Auditor General returned her report, which, obviously, is responsible for why the reports have not been laid. That is so clear.

**Sen. R. Montano:** Clear as mud.

**Hon. P. Beckles:** The Ministry has already received reports for the years 2001 and 2002 and it would be tabled in Parliament. TTPost has advised that 2001, 2002 and 2003 annual reports are being finalized and they would be submitted at the end of April. *[Interruption]* They had 1999—2001 and they did not put in any reports. The fact is that within the two-year period, we are going to have three reports ready, notwithstanding the fact that the Auditor General submitted the report in 2003. There is nothing that TTPost could have done because part of the legislation requires that you integrate your concerns from the Auditor General's report in your annual report. When the agreement expires, New Zealand Post has indicated that they are not interested in continuing. I hope that is clear.

Just to conclude. Notwithstanding all the challenges, there are positive contributions that TTPost has made to the social and economy growth of Trinidad and Tobago. Extending universal coverage with a short five-year period means that large sections of the population, who were previously isolated, now have access to communication and business networks. The essential doubling of this delivery network, while also significantly increasing customer satisfaction in mail volume, has created a strong communication platform for current business—related activities such as direct mail advertising, bill presented and bill payment and parcel delivery, and future activities such as internet access, e-commerce and e-government.

Furthermore, the strong addressing system, which TTPost has developed to support its delivery is a valuable asset to the economic life of Trinidad and Tobago, and could be used by current and future businesses to extend their customers' reached access. TTPost dependable and efficient postal infrastructure, would play an important part in the role of the future goals of Trinidad and Tobago's economy.

Madam President, thank you.

*Question put and agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole Senate.*

*Senate in Committee.*

*Clause 1 ordered to stand part of the Bill.*

*Clause 2.*

*Question proposed, That clause 2 stand part of the Bill.*

**Sen. Mark:** Madam Chairman, again, I want to ask the hon. Minister to clarify her interpretation of section 24 of the Act. The Minister said that the Auditor General's report must be an integral part of the annual report. If you look at section 24(1), that is not specified anywhere, but what is specified is that a copy of that report should be submitted by the Auditor General, but there is nowhere in section 24 where there is this particular commitment or mandate that the report should be an integral part of the annual report. I do not know where the hon. Minister got this impression that in submitting their annual reports, the Auditor General's report must be an integral part. They could have submitted these reports on an annual basis, and simply indicated that they are yet to see a copy of the Auditor General's report.

**Ms. Beckles:** I note my colleague's concern but we are at the close—

**Madam Chairman:** I was about to say that because we are now dealing with clause 2.

*Question put and agreed to.*

*Clause 2 ordered to stand part of the Bill.*

*Question put and agreed to, That the Bill be reported to the Senate.*

*Senate resumed.*

*Bill reported, without amendment.*

*Question put, That the Bill be now read the third time.*

*The Senate divided: Ayes 16 Noes 14*

AYES

Saith, Hon. Dr. L.

Yuille-Williams, Hon. J.

Jeremie, Hon. J.

Joseph, Hon. M.  
Montano Hon. D.  
Enill, Hon. C  
Manning, Hon. H.  
Chin Lee, Hon. H.  
Abdul-Hamid, Hon. M.  
Kangaloo, Hon. C.  
Titus, R.  
Sahadeo, Hon. C.  
Ramroop, Hon. S.  
Hackshaw Marslin, Mrs. J.  
Williams-Smith, Mrs. M.  
Ali, A  
NOES  
Mark, W.  
Kernahan, Dr. J.  
Montano, R.  
Seepersad-Bachan, C.  
Augustus, R.  
Gopeesingh, Dr. T.  
McKenzie, Dr. E.  
Ramchand, Prof. K.  
Deosaran, Prof. R.  
King, Mrs. M.  
Quamina, Dr. D.  
Seetahal, Miss D.  
Anmolsingh-Mahabir, Mrs. P.



Khan, Bro. N.

*Question agreed to.*

*Bill accordingly read the third time and passed.*

#### ADJOURNMENT

**The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith):** Madam President, I beg to move that the Senate do now adjourn to Tuesday, April 27, 2004 at 1.30 p.m. I believe it is Private Members' Day.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 3.25 p.m.*

#### WRITTEN ANSWER TO QUESTION

**Mr. Karl Hudson Phillips, Q.C.**

*The following question was asked by Sen. Sadiq Baksh:*

**12.** Could the Attorney General, with respect to services rendered to the State, inform this House:

- (a) of the dates on which Mr. Karl Hudson Phillips, Q.C. was retained during the period January 01, 1996 to December 31, 2003?
- (b) by whom and for what purpose was he engaged on each occasion?
- (c) what was the amount paid to him for each engagement?
- (d) whether any reports and/or recommendations were made by Mr. Hudson Philips, Q.C. on any of the occasions he was engaged?
- (e) if the answer to (d) is in the affirmative, would the Attorney General indicate:
  - (i) to whom and on what dates were these reports and/or recommendations made; and
  - (ii) provide details of any such reports and/or recommendation?

**The Attorney General (Sen. The Hon. John Jeremie):**, The reply to this question is as follows:

- (a) The dates on which Mr. Karl Hudson Phillips, Q.C. was retained are listed in column 1 of the attached spreadsheet, labelled as Appendix I.
- (b) The names of those persons who engaged Mr. Hudson Phillips as well as the purpose of his engagement are listed in columns 2 and 3 of the attached spreadsheet, labelled as Appendix I.
- (c) The amounts paid to Mr. Hudson Phillips, Q.C. for each engagement are listed in column 4 of the attached spreadsheet, labelled as Appendix I.
- (d) Yes, reports and/or recommendations were made by Mr. Hudson Phillips, Q.C. during a number of his engagements.
- (i) The Ministry of the Attorney General is unable to provide the names of the parties to whom the reports were submitted save to say that the reports and recommendations were submitted to the Ministers of Government concerned in the subject of any of the matters or to the client where this was not a Minister of Government, as well as the dates when these reports and/or recommendations were made, due to the nature and confidentiality of the matters on which recommendations and/or reports were made,
- (ii) The Ministry of the Attorney General is unable to provide the details of any such reports and/or recommendations, due to the nature and confidentiality of the matters on which recommendations and/or reports were made.

## Appendix 1.

Column 1	Column 2	Column 3	Column 4	
DATE OF RETENTION	BY WHOM RETAINED	PURPOSE OF ENGAGEMENT	AMOUNT PAID	
			US\$	TT\$
<b>1996</b>				
29-03-1996	Solicitor General	Contempt of Court by Elizabeth Quarfort		5.04

Written Answer to Question

Tuesday, April 20, 2004

Column 1	Column 2	Column 3	Column 4	
DATE OF RETENTION	BY WHOM RETAINED	PURPOSE OF ENGAGEMENT	AMOUNT PAID	
			US\$	TT\$
20-04-1996	-do-	Robert Nadidke v. The Hon Brig. Joseph Theodore, Min. of National Security	---	13,800
17-04-1996	-do-	<i>Ex Parte</i> Robert Nadidke – Application for Leave to Apply for Judicial Review	---	17,388
03-06-1996	-do-	Sahadath Wanza & Others v. the Attorney General of T & T	---	51,620
25-06-1996	-do-	Ken Ali and Sharmain Baboolal for Contempt	---	14,375
15-07-1996	-do-	Independent Publishing Co. Ltd. v. The Attorney General of T & T and the D.P.P.	---	52,164
15-07-1996	Attorney General	To conference with the Gov't of T & T and Atlantic LNG Co.	---	16,980.90
15-07-1996	Solicitor General	Civil Appeal – Ken Ali and Sharmain Baboolal for Contempt	---	40,572
15-07-1996	Attorney General	The US Government v. Zimmern Beharry – for Extradition before His Worship Mr. Beecham Maharaj	13,800	---

Column 1	Column 2	Column 3	Column 4	
DATE OF RETENTION	BY WHOM RETAINED	PURPOSE OF ENGAGEMENT	AMOUNT PAID	
			US\$	TT\$
11-09-1996	-do-	The US Government v. Zimmern Beharry – for Extradition before His Worship Mr. Beecham Maharaj	14,490	---
11-10-1996	-do-	Zimmern Beharry – Judicial Review	34,033.10	---
11-10-1996	-do-	Zimmern Beharry – Bail Application	8,625	---
30-10-1996	-do-	Application for Judicial Review <i>ex parte</i> Charles Dougdeen	---	66,794
01-11-1996	-do-	Opinion Re: Raffick Sahadath and Cipriani Baptiste and Michael Wanza <i>et al</i> v. the Attorney General <i>et al</i>	---	5,796
02-12-1996	-do-	The State v. Boodram, Ramiah, Maharaj for Murder Indictment No. 119/94	---	448,831.78
<b>1997</b>				
06-02-1997	-do-	Preliminary Inquiry (1) Joseph Ferreira v. Ramdhanie and Another (2) Cassius Bristol v. Toolsie and Gresham	---	311,417.70

Column 1	Column 2	Column 3	Column 4	
DATE OF RETENTION	BY WHOM RETAINED	PURPOSE OF ENGAGEMENT	AMOUNT PAID	
			US\$	TT\$
07-05-1997	-do-	The State v. Ramdhanie & Oths.	---	375,975.83
12-06-1997	-do-	The State v. Constantine & Williams	---	214,871.75
13-06-1997	-do-	Ramdhanie Confiscation Hearing	---	93,168.40
04-08-1997	-do-	<i>In re</i> A Question of Parliamentary Privilege <i>ex parte</i> The Attorney General	---	8,694
07-10-1997	-do-	The US Government v. Zimmern Beharry – for Extradition – Order to Proceed dated 9 <sup>th</sup> September, 1996	20,346.38	---
21-11-1997	-do-	<i>In re</i> Memorandum of Understanding with Southwire Consortium and Heads Of Agreement with Norsk Hydro Asa for the Development of an Aluminium Smelter Project <i>ex parte</i> The Attorney General	---	17,389.15

Column 1	Column 2	Column 3	Column 4	
DATE OF RETENTION	BY WHOM RETAINED	PURPOSE OF ENGAGEMENT	AMOUNT PAID	
			US\$	TT\$
12-12-1997	-do-	In re Memorandum of Understanding with Southwire Consortium and Heads Of Agreement with Norsk Hydro Asa for the Development of an Aluminium Smelter Project <i>ex parte</i> The Attorney General	---	8,694
<b>1998</b>				
07-01-1998	-do-	The United States Government v. Zimmern Beharry – for Extradition	13,864.71	---
29-06-1998	-do-	Sargeant St. Cyr v. M. Paul and Others	---	88,087
04-11-1998	-do-	Denny Baptiste v. Commissioner of Prisons <i>et al</i>	---	29,718.88
04-11-1998	-do-	Keiron Thomas v. Commissioner of Prisons <i>et al</i>	---	86,940
15-10-1998	-do-	Judicial Review Application by Ibrahim Noumeh	34,079.38	---
<b>1999</b>				
11-02-1999	Solicitor General	Civil Appeal – Independent	---	40,572

Column 1	Column 2	Column 3	Column 4	
DATE OF RETENTION	BY WHOM RETAINED	PURPOSE OF ENGAGEMENT	AMOUNT PAID	
			US\$	TT\$
		Publishing Co. Ltd. v. the Attorney General of T & T and the D.P.P.		
03-03-1999	-do-	Civil Appeal – Independent Publishing Co. Ltd.	---	11,620.75
17-05-1999	Attorney General	Commission of Enquiry into the Alleged Escape from Lawful Custody of Deochan Ramdhanie	---	86,940
06-07-1999	-do-	Commission of Enquiry into the Alleged Escape from Lawful Custody of Deochan Ramdhanie	---	182,690.15
08-09-1999	-do-	Commission of Enquiry into the Alleged Escape from Lawful Custody of Deochan Ramdhanie	---	122,695.80
<b>2000</b>				
09-05-2000	-do-	Advice <i>Ex Parte</i> US Government Karen Lowery	---	5,796
27-06-2000	-do-	Mantoor Randhanie and others v. The State	---	44,613.10
08-11-2000	-do-	Anti-Corruption Squad – The Airport Project	---	172,500

Column 1	Column 2	Column 3	Column 4	
DATE OF RETENTION	BY WHOM RETAINED	PURPOSE OF ENGAGEMENT	AMOUNT PAID	
			US\$	TT\$
08-11-2000	-do-	The Conveyancing and Mortgages (Special Provisions) Bill, 2000	---	40,250
29-11-2000	-do-	An Opinion <i>Ex Parte</i> The Elections and Boundaries Commission	---	86,250
06-12-2000	-do-	Investigation Into Airport Contracts	---	92,943.90
<b>2001</b>				
09-08-2001	-do-	Two (2) days of conferences – London with Sir Godfray Le Quesne, Q.C. Mr. James Godfray , Q.C., Mr. John Almeida & Mr. Ramesh Lawrence Maharaj S.C., M.P.	---	5,750
<b>2002</b>				
11-04-2002	-do-	Anti Corruption Bureau – Piarco Airport Development Project, InnCogen Electricity Contract. Enquiries in UK & Channel Is., Enquiries into Various Companies	---	1,608,106.45



*Written Answer to Question*

*Tuesday, April 20, 2004*

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	
<b>DATE OF RETENTION</b>	<b>BY WHOM RETAINED</b>	<b>PURPOSE OF ENGAGEMENT</b>	<b>AMOUNT PAID</b>	
			<b>US\$</b>	<b>TT\$</b>
22-05-2002	-do-	Preliminary Inquiry – Superintendent Piggott v. Galbaransingh and others	---	948,750
<b>2003</b>				
31-12-2003	-do-	Preliminary Inquiry – Superintendent Piggott v. Galbaransingh and others	---	27,600
31-12-2003	-do-	InnCogen Investigation	---	287,500