

**SENATE***Tuesday, November 20, 2018*

The Senate met at 1.30 p.m.

**PRAYERS**[MR. VICE-PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

**Mr. Vice-President:** Hon. Senators, I wish to advise that the President of the Senate, Sen. The Hon. Christine Kangaloo is out of the country.

**VACANT SEATS**

**Mr. Vice-President:** Hon. Senators, I have received the following correspondence from Her Excellency the President, Paula-Mae Weekes, ORTT:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of Trinidad  
and Tobago and Commander-in-Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MR. HUGH IAN ROACH

WHEREAS by the provisions of paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, the President, in exercise of the power vested in Her, is empowered to declare the seat of a Senator to be vacant:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by the said paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, do

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hereby declare the seat of you, HUGH IAN ROACH, to be vacant with effect from 19<sup>th</sup> November, 2018.

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 19<sup>th</sup> day of November, 2018."

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES, O.R.T.T., President of the Trinidad and Tobago and Commander-in-Chief of the Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MR. DAVID SMALL

WHEREAS by the provisions of paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, the President, in exercise of the power vested in Her, is empowered to declare the seat of a Senator to be vacant:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by the said paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, do hereby declare the seat of you, DAVID SMALL, to be vacant with effect from 19<sup>th</sup> November, 2018.

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 19<sup>th</sup> day of November, 2018."

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“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of Trinidad  
and Tobago and Commander-in-Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: DR. TAUREL SHRIKISSOON

WHEREAS by the provisions of paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, the President, in exercise of the power vested in Her, is empowered to declare the seat of a Senator to be vacant:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by the said paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, do hereby declare the seat of you, TAUREL SHRIKISSOON, to be vacant with effect from 19<sup>th</sup> November, 2018.

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 19<sup>th</sup> day of November, 2018.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of Trinidad  
and Tobago and Commander-in-Chief of the  
Armed Forces.

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/s/ Paula-Mae Weekes

President.

TO: MS. MELISSA RAMKISSOON

WHEREAS by the provisions of paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, the President, in exercise of the power vested in Her, is empowered to declare the seat of a Senator to be vacant:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by the said paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, do hereby declare the seat of you, MELISSA RAMKISSOON, to be vacant with effect from 19<sup>th</sup> November, 2018.

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 19<sup>th</sup> day of November, 2018."

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of Trinidad  
and Tobago and Commander-in-Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MR. STEPHEN CREESE

WHEREAS by the provisions of paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, the President, in

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exercise of the power vested in Her, is empowered to declare the seat of a Senator to be vacant:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by the said paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, do hereby declare the seat of you, STEPHEN CREESE, to be vacant with effect from 19<sup>th</sup> November, 2018.

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 19<sup>th</sup> day of November, 2018.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of Trinidad  
and Tobago and Commander-in-Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MS. JENNIFER RAFFOUL

WHEREAS by the provisions of paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, the President, in exercise of the power vested in Her, is empowered to declare the seat of a Senator to be vacant:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by the said paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, do

hereby declare the seat of you, JENNIFER RAFFOUL, to be vacant with effect from 19<sup>th</sup> November, 2018.

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 19<sup>th</sup> day of November, 2018."

### **SENATORS' APPOINTMENT**

#### **Mr. Vice-President:**

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

#### Appointment of a Senator

By Her Excellency PAULA-MAE WEEKES, O.R.T.T., President of the Republic of Trinidad and Tobago and Commander-in-Chief of the Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MR. ANTHONY VIEIRA

In exercise of the power vested in me by paragraph (c) of subsection (2) of section 40 of the Constitution of the Republic of Trinidad and Tobago, I, PAULA-MAE WEEKES, President as aforesaid, do hereby appoint you, ANTHONY VIEIRA, a Senator with effect from 20<sup>th</sup> November, 2018.

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 20<sup>th</sup> day of November, 2018."

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

**UNREVISED**

Appointment of a Senator

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of Trinidad  
and Tobago and Commander-in-Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MS. AMRITA DEONARINE

In exercise of the power vested in me by paragraph (c) of subsection (2) of section 40 of the Constitution of the Republic of Trinidad and Tobago, I, PAULA-MAE WEEKES, President as aforesaid, do hereby appoint you, AMRITA DEONARINE, a Senator with effect from 20<sup>th</sup> November, 2018.

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 20<sup>th</sup> day of November, 2018."

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

Appointment of a Senator

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of Trinidad  
and Tobago and Commander-in-Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MS. CHARRISE SEEPERSAD

In exercise of the power vested in me by paragraph (c) of subsection (2) of section 40 of the Constitution of the Republic of Trinidad and Tobago, I, PAULA-MAE WEEKES, President as aforesaid, do hereby appoint you, CHARRISE SEEPERSAD, a Senator with effect from 20<sup>th</sup> November, 2018.

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 20<sup>th</sup> day of November, 2018."

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

Appointment of a Senator

By Her Excellency PAULA-MAE WEEKES, O.R.T.T., President of the Republic of Trinidad and Tobago and Commander-in-Chief of the Armed Forces.

/s/ Paula-Mae Weekes  
resident.

TO: MR. DEOROOP TEEMAL

In exercise of the power vested in me by paragraph (c) of subsection (2) of section 40 of the Constitution of the Republic of Trinidad and Tobago, I, PAULA-MAE WEEKES, President as aforesaid, do hereby appoint you, DEOROOP TEEMAL, a Senator with effect from 20<sup>th</sup> November, 2018.

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 20<sup>th</sup> day of November, 2018."

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“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

Appointment of a Senator

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of Trinidad  
and Tobago and Commander-in-Chief of the  
Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MRS. HAZEL THOMPSON-AHYE

In exercise of the power vested in me by paragraph (c) of subsection (2) of section 40 of the Constitution of the Republic of Trinidad and Tobago, I, PAULA-MAE WEEKES, President as aforesaid, do hereby appoint you, HAZEL THOMPSON-AHYE, a Senator with effect from 20<sup>th</sup> November, 2018.

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 20<sup>th</sup> day of November, 2018.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

Appointment of a Senator

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of Trinidad  
and Tobago and Commander-in-Chief of the  
Armed Forces.

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/s/ Paula-Mae Weekes

President.

TO: DR. MARIA DILLON-REMY

In exercise of the power vested in me by paragraph (c) of subsection (2) of section 40 of the Constitution of the Republic of Trinidad and Tobago, I, PAULA-MAE WEEKES, President as aforesaid, do hereby appoint you, MARIA DILLON-REMY, a Senator with effect from 20<sup>th</sup> November, 2018.

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 20<sup>th</sup> day of November, 2018."

### **OATH OF ALLEGIANCE**

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

Anthony Vieira, Amrita Deonarine, Charrise Seepersad, DeeroopTeemal, Hazel Thompson-Ahye and Dr. Maria Dillon-Remy.

### **ARRANGEMENT OF BUSINESS**

**Mr. Vice-President:** Hon. Senators, I am currently awaiting one more instrument of appointment. When it arrives, I will crave your indulgence to revert to this item on the Order Paper.

### **JOINT SELECT COMMITTEE**

**(APPOINTMENT OF)**

**Human Rights, Equality and Diversity**

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**Mr. Vice-President:** Hon. Senators, I have received the following correspondence from the Speaker of the House of Representatives:

November 20, 2018

Senator Nigel De Freitas  
 Parliament of the Republic of Trinidad and Tobago  
 Level G-9, Tower D  
 International Waterfront Centre  
 1A Wrightson Road  
 PORT OF SPAIN

Dear Senator,

Appointment to Joint Select Committee

At a sitting held on Friday November 02, 2018, the House of Representatives agreed to the following resolution:

“Resolved:

That, the House agree to the appointment of Mr. Rushton Paray in lieu of Mr. Barry Padarath on the Joint Select Committee on Human Rights, equality and Diversity.”

I request that the Senate be informed of this decision at the earliest convenience please.

Respectfully,

Bridged Mary Annisette-George

Speaker of the House”

**MISCELLANEOUS PROVISIONS (HERITAGE PETROLEUM, PARIA FUEL TRADING AND GUARACARA REFINING VESTING) BILL, 2018**

Bill to vest certain assets of Petroleum Company of Trinidad and Tobago Limited, in Heritage Petroleum Company Limited, Paria Fuel Trading Company

Limited, and the Guaracara Refining Company Limited; to vest certain assets of Trinidad and Tobago Oil Company Limited and Trinidad and Tobago Petroleum Company Limited in the Guaracara Refining Company Limited; and to vest Palo Seco Agricultural Enterprises Limited Lands in Heritage Petroleum Company Limited, brought from the House of Representatives [*The Minister in the Ministry of Finance*]; read the first time.

*Motion made:* That the next stage of the Bill be taken later in the sitting.  
[*Hon. A. West*]

*Question put and agreed to.*

#### **PAPERS LAID**

1. Annual Audited Financial Statements of TAURUS Services Limited for the financial year ended September 30, 2016. [*The Minister in the Ministry of Finance (Sen. The Hon. Allyson West)*]
2. Annual Report of the National Enterprises Limited for the year ended March 31, 2018. [*Sen. The Hon. A. West*]
3. Annual Audited Financial Statements of the Trinidad and Tobago Solid Waste Management Company Limited for the financial year ended September 30, 2016. [*Sen. The Hon. A. West*]
4. Annual Audited Financial Statements of the Palo Seco Agricultural Enterprises Limited for the financial year ended September 30, 2017. [*Sen. The Hon. A. West*]
5. Annual Audited Financial Statements of the EXIMBANK for the financial year ended December 31, 2017. [*Sen. The Hon. A. West*]

6. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Trinidad and Tobago Racing Authority for the year ended July 31, 2009. [*Sen. The Hon. A. West*]
7. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Trinidad and Tobago Racing Authority for the year ended July 31, 2010. [*Sen. The Hon. A. West*]
8. Audited Financial Statements of the National Quarries Company Limited (NQCL) for the financial year ended September 30, 2012. [*Sen. The Hon. A. West*]
9. Special Report of the Auditor General of the Republic of Trinidad and Tobago on the Audit of Compliance with Procurement Practices for the Shore of Peace Stabilisation Project of the Ministry of Works and Transport. [*Sen. The Hon. A. West*]
10. Report of the Auditor General of the Republic of Trinidad and Tobago on the Statement of Recovery of Expenses of the Ministry of Energy and Energy Industries for the year ended December 31, 2017. [*Sen. The Hon. A. West*]
11. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Public Transport Service Corporation for the year ended September 30, 2009. [*Sen. The Hon. A. West*]
12. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Public Transport Service Corporation for the year ended September 30, 2010. [*Sen. The Hon. A. West*]
13. Ministerial Response of the Ministry of Finance to the Fourth Report of the Joint Select Committee on Land and Physical Infrastructure, Third Session (2017/2018), Eleventh Parliament on an Inquiry into the Trinidad and

- Tobago Inter-Island Ferry Service with specific focus on the Procurement and Maintenance of Ferries. [*Sen. The Hon. A. West*]
14. Ministerial Response of the Ministry of Finance to the Third Report of the Joint Select Committee on Finance and Legal Affairs, Third Session (2017/2018), Eleventh Parliament on an Inquiry into Commercial Banking Fees in Trinidad and Tobago. [*Sen. The Hon. A. West*]
  15. Policy-based Loan Agreement between the Corporación Andina De Fomento and the Government of the Republic of Trinidad and Tobago in the amount of US \$300 million and executed on July 21, 2017. [*Sen. The Hon. A. West*]
  16. Policy-based Loan Agreement between the Corporación Andina De Fomento and the Government of the Republic of Trinidad and Tobago in the amount of US \$180 million and executed on April 23, 2018. [*Sen. The Hon. A. West*]
  17. Policy-based Loan Agreement between the Corporación Andina De Fomento and the Government of the Republic of Trinidad and Tobago in the amount of US \$120 million and executed on August 29, 2018. [*Sen. The Hon. A. West*]
  18. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the National Agricultural Marketing and Development Corporation for the year ending September 30, 2011. [*Sen. The Hon. A. West*]
  19. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the San Fernando City Corporation for the year ended September 30, 2006. [*Sen. The Hon. A. West*]

20. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Tunapuna/Piarco Regional Corporation for the year ended September 30, 2008. [*Sen. The Hon. A. West*]
21. Report of the Auditor General of the Republic of Trinidad and Tobago on the Consolidated Financial Statements of the Trinidad and Tobago Unit Trust Corporation (UTC) for the year ended December 31, 2017. [*Sen. The Hon. A. West*]
22. Annual Audited Financial Statements of Caroni (1975) Limited for the financial year ended June 30, 2018. [*Sen. The Hon. A. West*]
23. Annual Audited Financial Statements of the Portfolio Credit Management Limited for the financial year ended December 31, 2017. [*Sen. The Hon. A. West*]
24. Annual Administrative Report of the Trinidad and Tobago Tourism Business Development Limited (TTBDL) for the year ended December 31, 2016. [*Sen. The Hon. A. West*]
25. Audited Financial Statements of the Clico Investment Fund for the financial year ended December 31, 2016. [*Sen. The Hon. A. West*]
26. Audited Financial Statements of the Clico Investment Fund for the financial year ended December 31, 2017. [*Sen. The Hon. A. West*]
27. Second Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the San Juan/Laventille Regional Corporation for the year ended September 30, 2008. [*Sen. The Hon. A. West*]
28. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the San Juan/Laventille Regional Corporation for the year ended September 30, 2009. [*Sen. The Hon. A. West*]

29. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the San Juan/Laventille Regional Corporation for the year ended September 30, 2010. [*Sen. The Hon. A. West*]
30. Ministerial Response of the Ministry of Public Utilities to the Fifteenth Report of the Public Accounts Committee, Third Session (2017/2018) Eleventh Parliament on the Examination of the Audited Financial Statements of the Water and Sewerage Authority for the financial years 2008 to 2013. [*The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan)*]
31. Ministerial Response of the Ministry of Public Utilities to the Sixteenth Report of the Public Accounts Committee, Third Session (2017/2018,) Eleventh Parliament on the Examination of the Audited Financial Statements of the Trinidad and Tobago Electricity Commission for the financial years 2012 to 2015. [*Sen. The Hon. F. Khan*]
32. Ministerial Response of the Ministry of Works and Transport to the Eighteenth Report of the Public Accounts Committee, Third Session (2017/2018), Eleventh Parliament on an Examination of the Report of Audited Financial Statements of the Airports Authority of Trinidad and Tobago for the financial years 2008 to 2012. [*The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan)*]
33. International Labour Organisation Protocol of 2014 to the Forced Labour Convention, 1930, adopted at the 103rd Session of the International Labour Conference of the ILO held in Geneva, Switzerland on June 11, 2014. [*The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus)*]



34. International Labour Organisation Recommendation on Supplementary Measures for the Effective Suppression of Forced Labour (No. 203) adopted at the 103rd Session of the International Labour Conference of the ILO held in Geneva, Switzerland on June 11, 2014. [*Sen. The Hon. J. Baptiste-Primus*]
35. International Labour Organisation Recommendation concerning the Transition from the Informal to the Formal Economy (No. 204) adopted at the 104th Session of the International Labour Conference of the ILO held in Geneva, Switzerland on June 12, 2015. [*Sen. The Hon. J. Baptiste-Primus*]
36. International Labour Organisation Recommendation concerning Employment and Decent Work for Peace and Resilience (No. 205) adopted at the 106th Session of the International Labour Conference of the ILO held in Geneva, Switzerland on June 16, 2017. [*Sen. The Hon. J. Baptiste-Primus*]
37. Ministerial Response of the Ministry of Trade and Industry to the Seventeenth Report of the Public Accounts Committee, Third Session (2016/2017), Eleventh Parliament on the Examination of the Audited Financial Statements of the Trinidad and Tobago Bureau of Standards for the financial years 2009 to 2013. [*The Minister of Trade and Industry (Sen. The Hon. P. Gopee-Scoon)*]
38. Annual Report of the Criminal Injuries Compensation Board for the period 2014/2015. [*Sen. The Hon. F. Khan*]
39. Annual Report of the Operations of the Interception of Communications Act, Chapter 15:08 for the period January to December 2016. [*Sen. The Hon. F. Khan*]

40. Response of the Police Complaints Authority to the Ninth Report of the Joint Select Committee on Human Rights, Equality and Diversity, Third Session (2017/2018) Eleventh Parliament on an Inquiry into the Treatment of Detainees and Conditions at Holding Cells in Trinidad and Tobago Police Stations. [*Sen. The Hon. F. Khan*]
41. Annual Report of the Legal Aid and Advisory Authority for fiscal year 2013/2014. [*Sen. The Hon. F. Khan*]
42. Annual Administrative Report of the National Energy Skills Centre for fiscal year 2014/2015. [*Sen. The Hon. F. Khan*]
43. Ministerial Response of the Ministry of Health to the Fifth Report of the Joint Select Committee on Social Services and Public Administration, Third Session (2017/2018), Eleventh Parliament on an Inquiry into the Adverse Health Effects of Fireworks. [*Sen. The Hon. F. Khan*]
44. Ministerial Response of the Service Commissions Department to the Eighteenth Report of the Public Accounts Committee, Third Session (2017/2018), Eleventh Parliament on an Examination of the Audited Financial Statements of the Airports Authority of Trinidad and Tobago for the financial years 2008 to 2012. [*Sen. The Hon. F. Khan*]
45. Draft National Policy on Sustainable Community Development (DNPSCD) for Trinidad and Tobago. [*Sen. The Hon. F. Khan*]
46. Annual Administrative Report of the former Ministry of the Arts and Multiculturalism for the financial year 2011/2012. [*Sen. The Hon. F. Khan*]
47. Draft National Environmental Policy 2018. [*Sen. The Hon. F. Khan*]
48. The Ministerial Response to the Office of the Prime Minister to the Eighth Report of the Joint Select Committee on Human Rights, Equality and Diversity, Third Session (2017/2018) Eleventh Parliament on an

Examination of the Perceived Inequality Faced by Single Fathers in Trinidad and Tobago with Specific Focus on Custody Matters, Policies and Access to Programmes and Services. [*Sen. The Hon. F. Khan*]

49. Annual Administrative Report of the Statutory Authorities Service Commission for the fiscal year ended September 2017. [*Sen. The Hon. F. Khan*]

**JOINT SELECT COMMITTEE REPORTS  
(Presentation)**

**Public Administration and Appropriations  
Pension/Gratuity to**

**Retired Public Officers and Contracted Employees**

**Sen. Wade Mark:** Mr. Vice-President, I wish to present the following reports:

Interim Report of the Public Administration and Appropriations Committee, Third Session (2017/2018), Eleventh Parliament on the Examination into the Processing of Payment of Pension and Gratuity to Retired Public Officers and Contracted Employees.

**Ministry of Public Administration and Communications**

Eleventh Report of the Public Administration and Appropriations Committee, Third Session (2017/2018), Eleventh Parliament on the Examination of the Administration and Expenditure of the Ministry of Public Administration and Communications.

**Mental Health and Wellness Services/Facilities in  
Trinidad and Tobago**

**The Minister in the Ministry of Finance (Sen. The Hon. Allyson West):** I wish to present the following report:

Sixth Report of the Joint Select Committee on Social Services and Public Administration, Fourth Session (2018/2019), Eleventh Parliament, on an

Inquiry into Mental Health and Wellness Services and Facilities in Trinidad and Tobago.

### **URGENT QUESTIONS**

#### **Public Transport Service Corporation (Theft of Bus)**

**Sen. Wade Mark:** Thank you, Mr. Vice-President. To the hon. Minister of Works and Transport: Having regard to the recent theft of a PTSC bus, what measures are in place to ensure that PTSC's vehicles are properly secured?

**The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan):** Thank you, Mr. Vice-President. PTSC is currently conducting their investigation into yesterday's breach to identify any gap in their standard operating procedures, and would take the immediate and appropriate action as required to mitigate against any further breaches. I thank you.

**Sen. Mark:** Mr. Vice-President, through you, can the hon. Minister indicate whether security measures were in place at the PTSC compound in Chaguanas during the theft of this PTSC bus?

**Sen. The Hon. R. Sinanan:** Mr. Vice-President, PTSC has and continues to protect all its assets with security at all their depots, to ensure the safety and security of these assets. So yes, there was security in place at the time.

**Sen. Mark:** Mr. Vice-President, as the hon. Minister is aware, Allied Security Services which receives \$1 million a month from the PTSC and taxpayers, is one of the security agencies—

**Mr. Vice-President:** Sen. Mark, ask the question.

**Sen. Mark:**—with responsibility for protecting the property of PTSC. Could the hon. Minister indicate whether Allied Security Services was on the compound of the Chaguanas terminal when this theft occurred? Could you indicate to us, hon. Minister?

**Sen. The Hon. R. Sinanan:** Mr. Vice-President, as I said PTSC is currently conducting their investigation which they will submit to the Ministry of Works and Transport. The Minister has requested a full investigation. At this point in time I have no knowledge as to which security firm would have been contracted to serve on the compound. PTSC has several contractors, security contractors, on its many compounds. So at this point in time, Sen. Mark may have a little more information than me as to which security firm would have been on the compound.

**Theft of PTSC Bus  
(Relief for Persons who Suffered Loss/Injury)**

**Sen. Wade Mark:** Thank you, Mr. Vice-President. To the hon. Minister of Works and Transport, yet again. You are on the line this afternoon. Mr. Vice-President, through you: What immediate relief will be provided to persons who suffered losses/injuries as a result of the theft of the PTSC bus?

**The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan):** Thank you again, Mr. Vice-President. The corporation is awaiting advice on the coverage from its insurer, which grant for the damage caused by the individual who obtained unauthorized access to one of its buses.

**Sen. Mark:** Mr. Vice-President, could the hon. Minister indicate to this Senate how many citizens suffered injuries or were harmed as a result of this unfortunate development involving this PTSC bus?

**Sen. The Hon. R. Sinanan:** Mr. Vice-President, again the Ministry is awaiting the full report from the PTSC, and in that report we will have details of exactly what happened, how many people were injured and the way forward. But until then, as Minister of Works and Transport, I will not want to pre-empt the information on the report. Thank you.

**Sen. Mark:** Mr. Vice-President, given the fact that the Minister always likes to be present when activities take place, can the Minister indicate whether he has taken,

as the Minister with responsibility for the PTSC, any direct interest in visiting those areas where the bus apparently was involved in this accident and people were affected? Have you taken any decision to visit directly those families in the Chaguanas area?

**Sen. The Hon. R. Sinanan:** Mr. Vice-President, as Minister of Works and Transport, sometimes you have to respect the lines that you can cross. This matter is a police matter at this point in time. The police have been on the scene, and as Minister of Works and Transport I wrote to the PTSC requesting a full investigation. Once that investigation comes to hand then the Ministry will look at the way forward. Thank you.

**Petrotrin Employee Pension Plan  
(Issue of Deficit)**

**Sen. Wade Mark:** Thank you, Mr. Vice President. To my dear friend, the Leader of Government Business, on his way out. To the hon. Minister of Energy and Energy Industries, in light of reports that the Petrotrin employee pension plan will run a \$2.73 billion deficit if wound up, can the Minister indicate what is being done to address this issue?

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Thank you very much, Mr. Vice-President. The Petrotrin Employees Pension Plan, PEPP for short, being fully funded, was only the case when Petrotrin and PEPP were ongoing entities. The restructuring of PEPP and the termination of all employees changes everything, in that benefit payment are accelerated significantly by the early retirement of all qualifying members.

It is not possible to wind up the PEPP and secure benefits by buying annuities, as suggested by Republic Bank because the insurance market has nowhere near sufficient capacity. The \$2.7 billion deficit quoted by Republic Bank was predicated on annuity buyout taking place and this is not relevant. There is thus no

alternative other than PEPP being run off as a closed fund, meeting benefit payments from its assets when they fall due.

Nearly 1,300 members of the plan age 50 and over are expected to retire on the 1<sup>st</sup> of December, 2018, with a lump sum payment of \$1 billion. I am pleased to announce that PEPP has comfortable enough assets to cover these payments.

The actuaries long-term analysis indicate that PEPP may—and the key word here is “may”—run out of funds based on its investment to meet benefit payments well into the 2040s, and thus any additional funding may be required if PEPP is not able to meet these benefits entitlements in the 40s. The sponsor of the plan is committed to ensuring that the plan’s obligations are fully met in the future.

**Sen. Mark:** Mr. Vice-President, can the hon. Minister indicate whether there is any intention on the part of Petrotrin board and management to change the composition and functions of the current PEPP, that is, the Petrotrin Employees Pension Plan. Is the Minister aware that there are moves by Mr. Wilfred—

**Mr. Vice-President:** You asked the question already.

**Sen. The Hon. F. Khan:** I know of no such plans, Mr. Vice-President.

**Sen. Mark:** Could the hon. Minister indicate what steps are being taken by the Government to meet and ensure that there is no deficit in the future, as outlined by the hon. Minister, in this pension plan, having regard to the fact that all—all the employees—have been terminated? Could the Minister indicate to us what steps are being taken to address this emerging deficit?

**Sen. The Hon. F. Khan:** Mr. Vice-President, the Opposition is always looking to make mischief. The plan is well funded. The plan can meet its obligation fully, well into the 2040s, and that is based on actuarial projection. And the actuaries say, based on what securities you have, how they perform over the long term, that those are grey areas. So the current prediction is that the fund will be able to fund

all its obligations well into the 2040s. Beyond that there may be a deficit, but it is too early in the game to speak that type of language. But as we speak the workers are comfortable.

### **ANSWERS TO QUESTIONS**

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Mr. Vice-President, I am pleased to announce that the Government will be answering all Questions for Oral Answers. For written answers we ask for a deferral for two weeks of questions Nos. 2, 8 and 10.

**Mr. Vice-President:** Hon. Senators, the deferral requested is granted.

### **WRITTEN ANSWERS TO QUESTIONS**

#### **Brian Lara Stadium (Details of Payments)**

2. **Sen. Gerald Ramdeen** asked the hon. Minister of Sport and Youth Affairs: What is the total amount spent on the Brain Lara Stadium over the period September 2015 to September 2018 under the following:
- (i) Payments to the Trinidad and Tobago Electricity Commission;
  - (ii) Landscaping and upkeep of the grounds;
  - (iii) Payments to the Water and Sewerage Authority;
  - (iv) Payments to TSTT and/or Digicel; and
  - (v) Payments for security services provided?

#### **Children's Authority**

#### **(Details of Tobago Child Abuse Reports)**

48. **Sen. Wade Mark** asked the hon. Prime Minister: In light of reports that the Children's Authority has received over 415 reports of child abuse in Tobago over the period May 2015 to July 2018, can the Prime Minister indicate:
- (i) whether investigations into said reports have been conducted and



completed;

- (ii) whether the persons deemed responsible for the abuses have been arrested and charged;
- (iii) if yes, how many persons and in how many cases; and
- (iv) what is being done to curb the incidence of child abuse in Tobago?

**Government Contract Employment  
(Details of)**

**49. Sen. Wade Mark** asked the hon. Minister of Public Administration:

Having regard to contract employment in Government Ministries/Departments and Statutory Authorities, can the Minister provide the following information:

- a) the names and designations of all persons whose contracts were not renewed during the period September 30, 2015 – September 30, 2017;
- b) the reasons for such non-renewal referred to in (a);
- c) the names and designations of all persons employed/recruited on contract during the period September 30, 2015 – September 30, 2017;
- d) details of the compensation package of each person referred to in (c);
- e) the names and designations of all contract officers who during the period September 30, 2015 and September 30, 2017 were terminated before the original completion date of their contracts; and
- f) the reasons for the termination referred to in (e)?

*Vide end of sitting for written answers.*

**ORAL ANSWERS TO QUESTIONS**

**Brian Lara Stadium  
(Revenue Earned)**

- 1. Sen. Gerald Ramdeen** asked the hon. Minister of Sport and Youth Affairs:  
What is the total revenue earned from the Brain Lara Stadium over the

period September 2015 to September 2018?

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Thank you very much, Mr. Vice-President. Construction of the cricket stadium was completed in May 2017. The Urban Development Corporation of Trinidad and Tobago, UDeCOTT, was engaged by the Ministry of Sport and Youth Affairs to provide project management services for construction of the facilities, and was subsequently engaged to operate and manage the facilities post construction, a facility that was left idle by the UNC for five long years.

With regard to the specific question, the Urban Development Corporation of Trinidad and Tobago has advised that the total revenue earned from the Brian Lara stadium over the period September 2015 to September 2018 is \$4,707,748.95.

**Sen. Ramdeen:** Mr. Vice-President, through you to the hon. Minister and Leader of Government Business. When this administration decided to spend \$110 million on this facility in fiscal 2016 and 2017, what was the projected revenue upon which that decision was taken to spend that \$110 million on that facility?

**Sen. The Hon. F. Khan:** Mr. Vice-President, facilities that are for the public use is not 100 per cent based on income forecast. Furthermore, the UNC's estimate to complete that, prior to their demitting office, was \$350 million. We completed it for \$110 million. It has been put to good use and the country is enjoying the facilities, especially those in south and central Trinidad. [*Desk thumping*]

**Mr. Vice-President:** Any more supplementals? No? Okay.

### **CL Financial Group of Companies**

#### **(Legal Fees for Recovering State Monies)**

3. **Sen. Gerald Ramdeen** asked the hon. Minister of Finance:

Can the Minister inform the Senate of the total amount spent by the Government over the period September 2015 to September 2018 on legal

fees for recovering monies due to the State from the CL Financial Group of Companies?

**The Minister in the Ministry of Finance (Sen. The Hon. Allyson West):** Mr. Vice-President, may I first take the liberty to thank the Independent Senators who have just demitted office, for their service. I enjoyed working with them. I welcome the new Members of the Independent Bench and look forward to working with them, and I would like to congratulate Sen. Richards on his elevation.

**Sen. Richards:** It is a lateral move. [*Laughter*]

**Sen. The Hon. A. West:** In response to the question, Mr. Vice-President, over the period September08, 2015, to September30, 2018, the Government commissioned legal services in the amount of \$2,270,113.66 to secure a \$15- plus billion debt owed to the State by CL Financial group of companies. Thank you, Mr. Vice-President.

**Sen. Ramdeen:** Mr. Vice-President, could the hon. Minister of Finance indicate who were the attorneys for which this \$2.2 million were paid for the recovery of these moneys in relation to the CL Financial group of companies?

**Sen. The Hon. A. West:** Thank you, Sir. Mr. Vice-President, I do not have those details before me, but I can, if the Senator wishes, provide those in writing subsequently.

**Sen. Ramdeen:** Mr. Vice-President, to the hon. Minister in the Ministry of Finance, through you. The figure of \$2.2-plus million that the Minister has given in regard to the legal fees in relation to this matter, does that include contentious and non-contentious fees that have been paid by the Ministry of Finance?

**Sen. The Hon. A. West:** Mr. Vice-President, my information is that this covered the total fees paid.

**Gaffney Cline and Associates  
(Legal Fees Paid by Petrotrin)**

**4. Sen. Gerald Ramdeen** asked the hon. Minister of Energy and Energy Industries:

Can the Minister provide the total amount of legal fees paid by Petrotrin to Gaffney Cline and Associates for the report on the alleged discrepancies with oil receipts from private operators and more particularly A&V Oil and Gas Limited?

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Thank you very much, Mr. Vice-President. I know the hon. Senator is a lawyer, but no legal fees were paid to Gaffney Cline & Associates for the report on the alleged discrepancies and oil receipts from private operators, and more particularly A&V Drilling Limited. Gaffney Cline & Associates is a petroleum engineering consultancy firm.

**Sen. Ramdeen:** Mr. Vice-President, through you to the Minister. What were the fees paid by Petrotrin to Gaffney Cline & Associates in relation to the A&V Oil and Gas matter, Minister? Through you, Mr. Vice-President.

**Mr. Vice-President:** Sen. Ramdeen, I think that is—all right, Minister of Energy and Energy Industries.

**Sen. The Hon. F. Khan:** If the goodly Senator had asked that question, I would obviously have the answer with me. He did not, and I encourage him to so do.

**Mr. Vice-President:** Sen. Ramdeen, any more supplementals on this? Sen. Ramdeen, no more supplementals?

**Venezuelan Migrants  
(Government Policy on)**

**19. Sen. Paul Richards** asked the hon. Minister of Foreign and Caricom Affairs:

Given the increase in the number of Venezuelan nationals fleeing their country to seek refuge in neighbouring countries, including Trinidad and Tobago, what is the Government's policy as regards these migrants?

**The Minister of Foreign and Caricom Affairs (Sen. The Hon. Dennis Moses):**

Mr. Vice-President, in recognition of the increasing numbers of Venezuelans arriving in Trinidad and Tobago in a regular and irregular manner, the National Security Council established an interministerial team whose mandate is to present options for this country's response to the issue. The interministerial team's draft response of Trinidad and Tobago to the Venezuelan migrant issue is being reviewed.

Additionally, Mr. Vice-President, the Ministry of National Security has been working with stakeholders, including international organizations, to assess the needs of the migrants with a view to determining sustainable solutions that may be considered.

Mr. Vice-President, I wish to emphasize that any mass migration phenomenon requires a collaborative, methodical and deliberative approach in view of the fact that there are a variety of economic, social, psychosocial, health and security issues that must be taken into account. The Government of Trinidad and Tobago is therefore working assiduously to ensure that any policy enacted takes due cognizance of these issues and the sustainable and impact further. Mr. Vice-President, I thank you.

**Sen. Richards:** Thank you. Through you, Mr. Vice-President. Minister, based on your response, has the team been able to ascertain a number of Venezuelan nationals who may be in Trinidad and Tobago at this time through this migration process?

**Sen. The Hon. D. Moses:** Mr. Vice-President, I am unable to confirm any figure

in a precise way.

**Sen. Richards:** Minister, through you Mr. Vice-President, has the Ministry and/or the team been able to put any systems in place to ensure that these migrants who are already in Trinidad and Tobago are being cared for in a humane way, because we have had reports that they are being exploited in some areas?

**Sen. The Hon. D. Moses:** Mr. Vice-President, ours is one that is governed by good neighbourliness and the rule of law. [*Desk thumping*]

**Sen. Mark:** Mr. Vice-President, can I ask the hon. Minister of Foreign and Caricom Affairs, could you share with this honourable Senate the various options that the interministerial team examined on this whole question of mass migration into this country by Venezuelans and other nationals?

**Sen. The Hon. D. Moses:** Thank you once again, Mr. Vice-President. Such issues form part of the work of the interministerial committee, and as my response indicated, a review is taking place right now.

**Sen. Hosein:** Mr. Vice-President, I would just like to ask the Minister, is the Government intending on incorporating the 1951 Convention on Refugees into domestic law?

**Mr. Vice-President:** I will not allow that question.

### **San Fernando General Hospital**

#### **(Relocation of Psychiatric Ward)**

**20. Sen. Wade Mark** asked the hon. Minister of Health:

Given reports that the Psychiatric Ward at the San Fernando General Hospital needs to be relocated because of the increase in the patient population, can the Minister advise what is being done to address this issue?

**The Minister of Health (Hon. Terrence Deyalsingh):** Thank you very much, Mr. Vice-President, and may I add my own personal congratulations to new

Members of the Independent Bench.

The answer is as follows: During the period 2015 to 2018 there has been no significant increase in the number of patients being admitted to the psychiatric ward of the San Fernando General Hospital. Based on this utilization, there is no need for relocation.

**Sen. Mark:** Mr. Vice-President, can the Minister share with this Senate what is the population involved as it relates to patients at the psychiatric ward at the San Fernando General Hospital?

**Hon. T. Deyalsingh:** In anticipation of the supplemental, there has been a declining trend from 902 in 2015 to 859 in 2018, thus representing a decrease—a decrease—of 4.7 per cent.

Also in anticipation of the other supplemental that is to come, there was a Psychiatric Hospital Tribunal site visit on Friday 08 December, 2017. Attendees were Dr. Roshan Parasram, Chief Medical Officer; Mrs. Maria Busby-Earl Caddle, Chief Magistrate; Dr. Varma Deyalsingh, Secretary Psychiatric Association of Trinidad and Tobago; and Dr. Sandra Reid, Deputy Dean Clinical Services, UWI. Their report, based on their visit, showed absolutely no need for relocation. So I am at a loss to find out where Sen. Mark got these reports that there is overcrowding and there is a need for relocation. Based on the report by an independent tribunal, based on the statistics I have given, showing a 4.7 decrease in the population, I am at a loss to understand where Sen. Mark got his information from.

**Sen. Mark:** Given the fact he is at a loss—[*Interruption*]

**Hon. T. Deyalsingh:** No, you.

**Sen. Mark:** No, you are lost, not me. You will lose St. Joseph, you know.

**Mr. Vice-President:** Okay, Sen. Mark.

**Hon. T. Deyalsingh:** “Come and fight meh nah, come.” [*Crosstalk*]

**Mr. Vice-President:** Let me just reassure the population, nobody will be fighting anybody inside here. [*Laughter*] Sen. Mark, continue with your supplemental.

**Sen. Mark:** If I am coming, Sir, I am coming Tobago to you. [*Laughter*] Mr. Vice-President, may I ask my hon. colleague whether he would be prepared to make available a copy to this honourable House of the report issued by the independent tribunal that you have just outlined?

**Hon. T. Deyalsingh:** Once I clear it with the Chief Medical Officer and the legal department and they say yes, I have absolutely no problem in doing so.

**Sen. Mark:** Then may I also ask my hon. colleague, could you offer this Senate any specific time frame when you can report to us as to that clearance from that particular body?

**Hon. T. Deyalsingh:** As soon as I get the clearance from the Chief Medical Officer and the legal department, once they have said that I can release the report, I have absolutely no problem in doing that.

**Sen. Mark:** We are now relieving you. You are on your way out, eh, St. Joseph.

**Mr. Vice-President:** Sen. Mark, question.

**Sen. Mark:** Mr. Vice-President, may I address you.

**South Oropouche Family  
(Assistance for Lost Home)**

**21. Sen. Wade Mark** asked the hon. Minister of Social Development and Family Services:

Can the Minister indicate what has been done to assist the South Oropouche family of eight who lost their home in a fire on September 07, 2018?

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Mr. Vice-President, the services available to victims of natural or man-made disasters, such as fire, from the Ministry of Social Development and Family



Services upon completion of needs assessment are as follows: household items up to \$10,000; clothing grant, \$1,000 per person so affected; school supplies, \$1,000 for a child attending secondary, \$700 for a child attending primary; house repairs up to \$20,000; house rental grants of \$2,500 per month; emergency food support, counselling services provided by the National Family Services Division for the affected family.

An application was made to the Siparia local board by one Mr. Hamid Mohammed for a General Assistance Grant for disaster relief as a result of his family home being destroyed by fire on September 07, 2018. The application was related to the grants for replacement of household appliances and clothing.

The invoice for household appliances was received on September 28, 2018, whilst the relevant fire report, which was dated October 01, 2018, was received thereafter. The application has been approved.

**Petrotrin Refinery  
(Crude Oil Purchaser)**

- 22. Sen. Wade Mark** asked the hon. Minister of Energy and Energy Industries: Given the impending closure of the Petrotrin Refinery, can the Minister inform the Senate which company will be purchasing Petrotrin's crude oil for refining purposes?

**2.30 p.m.**

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Thank you, Mr. Vice-President. Mr. Vice-President, there is no preferential sale of Petrotrin's crude oil. The majors, international traders, refiners and integrated oil companies will be invited to participate in the purchase of Petrotrin's crude oil. The company with the most competitive bid will be awarded the cargo.

The short-term marketing strategy of spot sales, which is spot market

pricing, has been adopted in order to establish the market value of Molo crude, as our crude is called, which is a medium to low-octane crude.

An invitation to bid was sent out to 27 companies consisting of majors, traders, refiners and integrated oil companies. The bids were received on a secured email address that provided a safe platform for the sale of the crude oil.

The bids were assessed by an evaluation team comprising senior executives. The criteria for evaluation, the bid included the ability of the buyer to lift the cargo, competitive commodity pricing, attractive commercial and payment terms.

Mr. Vice-President, I am pleased to announce that to date, three spot sales have been awarded. One sale, the Trafigura, which is one of the world's international traders, the other to ExxonMobil Sales and Supply and the third to Shell, each with the most competitive bid on the three occasions thereby provided an indication of the market value of the much aligned Petrotrin crude; Mr. Abdullah, Mrs. Seepersad-Bachan, they all say. I am also pleased to announce that the price we got was above WTI which is West Texas Intermediate, which is one of the benchmark crudes internationally. All three cargoes have been shipped. Bids have been invited for the delivery of two cargoes in December; so the plan is working well.

**Mr. Vice-President:** Sen. Mark.

**Sen. Mark:** Mr. Vice-President, could the hon. Minister indicate, what was their price of the West Texas Intermediate crude that we were able to fetch?

**Mr. Vice-President:** Minister of Energy and Energies Industries.

**Sen. The Hon. F. Khan:** I said that the price was WTI plus \$2. You can check the reference price, that price is referenced everyday on the international market.

**Mr. Vice-President:** Sen. Mark.

**Sen. Mark:** No. I asked a specific question, Mr. Vice-President. The oil has been

shipped, it has been sold. So, I am asking the hon. Minister if he could share with us what was the actual price that we fetched for our oil?—WTI plus \$2. He must know what was the price—not to get me to go on the international scale.

**Mr. Vice-President:** Okay. Sen. Mark, you are repeating your question and the hon. Minister has answered that question the first time you asked it. It is only going to—

**Sen. Mark:** Could I get a supplemental?

**Mr. Vice-President:** Yes.

**Sen. Mark:** Mr. Vice-President, can I ask the hon. Minister, what was the total value of oil exported by Trinidad and Tobago in the period under review as outlined by the hon. Minister?—the total shipment of oil that was purchased on the spot market?

**Mr. Vice-President:** Minister of Energy and Energies Industries.

**Sen. The Hon. F. Khan:** Mr. Vice-President, I have said repeatedly in this Senate, the package size for the shipment of crude based on the tanker size is approximately 500,000 barrels. You take 500,000 barrels and you multiply it by the reference price, we quoted some—in these trades you do not quote specific prices, you say WTI plus, because sometimes the trading goes overnight and that sort of thing, but you have an approximate price as to exactly what you paid.

The package size is 500,000 barrels, three shipments have gone, and the price we got is WTI reference for the particular day plus \$2, sometimes a little less, sometimes a little more. And let me just say that that is supposed to be very good and palatable news to the people of Trinidad and Tobago. [*Desk thumping*]

**Mr. Vice-President:** Sen. Ramdeen.

**Sen. Ramdeen:** Thank you, Mr. Vice-President. Mr. Vice-President, I was wondering if through you, I can ask the hon. Minister to give us and inform the

public, who were the names of these senior executives that have the responsibility for assessing these bids on the international market and deciding who it is that will have the privilege of purchasing crude from Trinidad and Tobago?

**Mr. Vice-President:** Minister of Energy and Energies Industries.

**Sen. The Hon. F. Khan:** From one minute you are saying “de crude cyarsell”. [Laughter] “De next minute, we say we sell it.” [Crosstalk] The next minute we say we sold it at a good price. We say we sold it higher than the nation expected—

**Mr. Vice-President:** Minister, one second. Please, allow the Minister to answer the question. You asked a question and he is attempting to do so and answer the question as he deems fit. Minister.

**Sen. The Hon. F. Khan:** Now you want to know, who was the evaluation committee? I am the Minister of Energy and Energy Industries and I do not even know who the evaluation committee is, because I do not interfere at that level in the organization; that is Petrotrin’s business. They have a marketing arm, and they do that as a matter of course. “Is not everything have corruption in it, you know; [Interruption] under allyuh it used to be like that.” Okay.

**Sen. Ameen:** No. No. No. [Crosstalk]

**Mr. Vice-President:** Hold on. [Crosstalk] There is absolutely no need to allow this particular part of the proceedings of today to fall into that level of disrepute. A question is asked, a question can be answered as deemed fit by the person to whom it is asked, and then you can ask supplementary questions based on that answer; that is the procedure. The Minister has answered. You have finished answering the question, Minister, as posed?

**Sen. The Hon. F. Khan:** No, I have one more thing to say.

**Mr. Vice-President:** Continue.

**Sen. The Hon. F. Khan:** And please note, the sales were not made to any

fly-by-night entity. Trafigura is probably the largest trader in the western hemisphere. Shell is Shell.

**Sen. Mark:** Corruption.

**Sen. The Hon. F. Khan:** And ExxonMobil is bigger than Shell, and these are the names of the top players in the world, so I do not know what is the concern of the Opposition.

**Sen. Mark:** We are always concerned.

**Mr. Vice-President:** Sen. Mark.

**Sen. Mark:** Mr. Vice-President, can I ask a question?

**Mr. Vice-President:** Sure.

**Sen. Mark:** Can I ask the hon. Minister if he can outline to this Senate the specific date or dates when these shipments of oil were sent and sold on the spot market as he outlined? Could he give us specifics?

**Mr. Vice-President:** The Minister of Energy and Energies Industries.

**Sen. The Hon. F. Khan:** I do not have that information with me right now.

### **LICENSING COMMITTEE (VALIDATION) BILL, 2018**

Bill to validate the constitution of licensing committees established under section 5 of the Liquor Licences Act, Chap. 84:10 as well as the grant, transfer and renewal of licences and all other acts and omissions by licensing committees and for related matters [*The Attorney General*]; read the first time.

### **MAGISTRATES PROTECTION (AMENDMENT) BILL**

Bill to amend the Magistrates Protection Act, Chap. 6:03 [*The Attorney General*]; read the first time.

**Mr. Vice-President:** Leader of Government Business.

### **JOINT SELECT COMMITTEE**

#### **(APPOINTMENT OF)**

**The Minister of Energy and Energies Industries (Sen. The Hon. Franklin Khan):** Mr. Vice-President, I beg to move following Motion.

*Be it resolved* that this Senate agree to the following appointment on the Joint Select Committee on Social Services and Public Administration:

Mr. Paul Richards in lieu of Dr. Dhanayshar Mahabir.

*Question put and agreed to.*

### **ARRANGEMENT OF BUSINESS**

**Mr. Vice-President:** Hon. Members, permit me to, as indicated earlier, to revert to item three on the Order Paper in relation to the instrument of Appointment.

### **SENATOR'S APPOINTMENT**

**Mr. Vice-President:**

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency PAULA-MAE WEEKES,  
O.R.T.T., President of the Republic of  
Trinidad and Tobago and Commander-in-  
Chief of the Armed Forces.

/s/ Paula-Mae Weekes

President.

TO: MR. NDALE YOUNG

WHEREAS Senator Christine Kangaloo is incapable of performing her duties as the President of the Senate by reason of her absence from Trinidad and Tobago and the Vice President of the Senate is required to perform the duties of the President of the Senate. As a result, a vacancy has arisen in the Senate:

NOW, THEREFORE, I, PAULA-MAE WEEKES, 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, NDALE YOUNG, to be temporarily a member of the Senate, with effect from 20<sup>th</sup> November, 2018 and continuing during the absence from Trinidad and Tobago of Senator the Honourable Christine Kangaloo.

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 20<sup>th</sup> day of November, 2018."

### **AFFIRMATION OF ALLEGIANCE**

*Senator Ndale Young took and subscribed the Affirmation of Allegiance as required by law.*

### **MISCELLANEOUS PROVISIONS (HERITAGE PETROLEUM, PARIA FUEL TRADING AND GUARACARA REFINING VESTING) BILL, 2018**

*Order for second reading read.*

**The Minister in the Ministry of Finance (Sen. The Hon. Allyson West):** [*Desk thumping*] Thank you, Mr. Vice-President. Mr. Vice-President, I beg to move:

That a Bill to vest certain assets of Petroleum Company of Trinidad and Tobago Limited, in Heritage Petroleum Company Limited, Paria Fuel Trading Company Limited, and the Guaracara Refining Company Limited; to vest certain assets of Trinidad and Tobago Oil Company Limited and Trinidad and Tobago Petroleum Company Limited in the Guaracara Refining Company Limited; and to vest Palo Seco Agricultural Enterprises Limited Lands in Heritage Petroleum Company Limited, be now read a second time.

Mr. Vice-President, the purpose of this Bill is to effect the vesting of certain assets, undertakings and obligations currently held by, as I indicated, Petrotrin—I

Miscellaneous Provisions (Heritage Petroleum  
Paria Fuel Trading and Guaracara Refining Vesting  
Bill, 2018  
Sen. The Hon. A. West (cont'd)

2018.11.20

will use their acronyms—Trintoc, Trintopec and PSAEL into three newly incorporated companies namely, the Heritage Petroleum Company Limited which I will henceforth refer to as Heritage, Paria Fuel Trading Company Limited and Guaracara Refining Company Limited.

Mr. Vice-President, let me first set the context in which the Petrotrin matter came to a head. In 2014, the country witnessed a deterioration of energy commodity prices which resulted in significant economic upheaval. In fact, what occurred triggered an almost 75 per cent decline in crude oil prices from a high of US \$108 in 2014, to \$26 per barrel in 2016. This led to a collapse of petroleum revenues which peaked at almost \$20 billion in 2014, and plummeted to less than \$1 billion in 2016, aggravated by a simultaneous decline in production.

While in 2014 oil revenues contributed to almost 30 per cent to our total revenue, by 2016 it was contributing 2.3 per cent. The weakening economic framework caused GDP to plunge and we witnessed spiralling deficits which this Government has brought under control which was not an easy task.

Mr. Vice-President, in no uncertain terms the fiscal space had eroded substantially and this Government was placed in a very precarious economic position. What this meant is that we now have to make tough economic decisions in the best interest of the nation and we continue to do so.

Let me now turn to the performance of the company, Petrotrin. Mr. Vice-President, and I apologize, this honourable Senate will recall that at the beginning of 2017, the hon. Prime Minister alerted the country to Petrotrin's dire economic straits. Institutional assessments were undertaken by international and local consultants to ascertain the extent of the problem with a view to finding a



solution to the problem that was too large to ignore any further. Those assessments identified two major problems.

One, Petrotrin had become an oil company that had effectively stopped drilling for oil. And two, it was operating its refinery in a way that was costing the company and the country billions of dollars in losses with no end in sight.

Mr. Vice-President, Petrotrin's refinery engaged in a series of upgrades which have resulted in an indebtedness of \$12 billion of which \$5.7 billion is due in August 2019. Moreover, the company's strategic projects including the Gasoline Optimization Programme, the gas-to-liquids project and the Ultra-Low Sulphur Diesel project resulted in almost \$19 billion in cost overruns. This was compounded by a total employee base in the vicinity of 5,000—

**Mr. Vice-President:** Just *uno momento*. As much as you are moving the Motion and it is understandable that a context must be created in order to make this particular Bill that is before us intelligible, I want to remind Senators, especially those who want to contribute to this, that there is a Motion forthcoming, Private Members', that is going to deal with a lot of the context in relation to what is happening with Petrotrin.

So, as much as you can create that context, in terms of having it form a major part of your contribution today, that would not be allowed because we are anticipating a Private Members' Motion that is forthcoming. So you can sort of create your context quickly, and then get into the actual Bill which deals with the vesting orders and transference of assets. Thank you.

**Sen. The Hon. A. West:** Thank you for your guidance, Mr. Vice-President. So as I said, the other problems briefly, were the cost of the staffing at Petrotrin which

exceeded \$2.2 billion a year, and the fact that with the low-production rate of petroleum having stopped its exploration programme, Petrotrin was forced to import 100,000 barrels of oil a day to keep the refinery going. This created a situation that led to a \$3 million a day loss for Petrotrin because it was importing oil, refining it inefficiently and selling it largely at a loss. So this was essentially an unsustainable state of affairs which had to be addressed.

So what that resulted in, Mr. Vice-President, was deficient working capital of \$6.5 billion, a financial loss of \$1 billion in refinery and marketing business unit, unpaid taxes and royalties of \$3.5 billion, \$5 billion in short-terms loans, \$7 billion required to upgrade the ageing plant, employee cost of 50 per cent of the operating cost.

This Government reviewed the reports of the consultants and determined that it would be irresponsible to continue operating the company in the manner in which it was operating. It would be a drain on the finances of the State, and a solution had to be found.

So, the proposed solution, Mr. Vice-President. Mr. Vice-President, in light of these issues a decision has been taken to close the refinery and export the crude oil produced by the company rather than continue to refine the local oil and sell it at a loss.

A decision has been taken to pursue the exploration and production activity of the company which is where all of the consultants indicate that there is the real possibility of generating a profit. So the intention is to heighten that activity to increase the production from where it is now at roughly \$40,000 a barrel per day to, at least, 60,000 barrels a day. That is the objective.

Decision number three: to import the petroleum-based products that are required for the needs of the country, and also to satisfy our regional markets. So those are essentially the decisions that led us to the Bill that we have before us today.

The products to be imported include motor gasoline, diesel, aviation fluid, liquefied petroleum gas and other derived and refined products. And these will be imported in sufficient quantities and quality, and generally in a manner to satisfy our local and regional demands on a timely basis.

We will cease to import 100,000 barrels of crude oil a day to refine at a loss, and instead import 25,000 barrels to satisfy our needs. And we will sell the crude oil that we produce, hopefully in increased quantities to generate foreign exchange. This will shift us from a net consumer of foreign exchange to a net earner of foreign exchange which, as we all know given the country's current foreign exchange situation, is something that we desperately need to do.

Mr. Vice-President, Petrotrin's 3,400 permanent and 1,500 temporary and casual employees will be terminated and provided with attractive finance packages estimated to cost \$2.6 billion. The new company is expected to become profitable, internationally competitive and will seek to reverse the decline in land and marine production for crude oil.

To facilitate this shift, three new companies were incorporated on October 05, 2018, to manage these new businesses. Heritage Petroleum Company Limited will manage exploration and production. That company will be located in Santa Flora and Point Fortin and will have responsibility for all exploration and production assets including exploration and production contracts with revenue

generated through the sale of crude oil and crude storage.

Fuel trading and product supply activities will be undertaken by Paria Fuel Trading Company Limited which is located at Pointe-a-Pierre. In addition to trading and product supply, Paria Fuel will be responsible for logistics, terminalling and product handling and is expected to work closely with Heritage Petroleum.

The Guaracara Refining Company Limited will be responsible for preservation of the refinery assets, in addition to providing utility services to Paria Fuel and Petrotrin. Petrotrin itself, the company which the world is being told is closing down, Petrotrin will remain in existence and continue to operate. All of the issued and outstanding shares of Petrotrin, as well as the shares of Heritage Petroleum, Paria Fuel and Guaracara Refining have been transferred to a new holding company called Trinidad Petroleum Holdings Company Limited or TPHL.

Petrotrin will therefore be a member of a group of subsidiaries held by TPHL. This will allow Petrotrin to meet all its outstanding contractual liabilities unhindered, and will circumvent the possibility of Petrotrin bondholders imposing a requirement that they must approve the new structure; Petrotrin will also continue to hold certain assets.

In summary therefore, the holding company TPHL will have as its subsidiaries: Heritage Petroleum, Paria Fuel Trading, Guaracara Refining and Petrotrin. TPHL will hold the entire complement of shares in those subsidiaries, and the shares of TPHL in turn will be held by Corporation Sole; that is the new structure.

Progress has been made to date by Petrotrin, in refinancing the US \$850

million bond due in August 2019. Petrotrin approached the financial markets in October 2018 for a firm or consortium to refinance its long-term bonds.

Following careful assessments of proposals, it was decided that two of the consortiums will work together to execute what is essentially the financing of a combination of the Petrotrin exit cost, as well as the two bonds, the bond due in 2019, and the other one that is due in 2022.

The consortiums are made up of, on the one hand, Credit Suisse, Bladex and First Citizens Bank, and on the other hand, Morgan Stanley and ANSA Merchant Bank.

Over the last few weeks progress has been made with the refinancing, and the parties are working towards having the first tranche of the exit cost settled by November 30, 2018, and the bonds refinanced soon after, well in advance of the due dates of those bonds.

Petrotrin has also been dealing with the rating agencies on the restructuring to ensure that the risk and debt profile are properly articulated and received in the market; closure or mothballing of the refinery and cessation of the refinery activities.

The last imported crude cargo was discharged on October 10, 2018, and crude processing at the refinery ceased on October 19, 2018. The last process unit was shut down on November 3<sup>rd</sup>, and refinery preservation and mothballing is in progress. The first cargo of crude oil was successfully exported on November 1<sup>st</sup>.

Importation by Petrotrin of fuel through a competitive bidding process in which reputable international suppliers participated, Petrotrin has so far secured four cargoes of gasoline, jet fuel and diesel which have already been discharged at

Pointe-a-Pierre during the period ending—the period spanning the end of October to early November. A total of 16 cargoes have been contracted that cover supply until early January.

So what is the rationale for this vesting Bill, Mr. Vice-President? In order to ensure a smooth transition to full operation of the new companies by December 01, 2018, these companies must be vested with all necessary assets, undertakings and obligations that will enable their seamless operation in accordance with their purpose.

Mr. Vice-President, the assets currently held by Petrotrin include land, various contracts, licences, leases, oil fields, gas pipelines, as well as the Pointe-a-Pierre refinery assets that together facilitate the business operations of the company.

Consequently, the most efficient and cost-effective method for the transfer of the Petrotrin assets to the new companies is through the vesting Bill that is before us today.

Seeking to achieve a transfer of the specified assets by traditional conveyancing mechanisms would not only have been extremely costly and exceedingly complicated, but would have resulted in an inordinate delay in the start-up of the new companies which we cannot afford.

Accordingly, transfer of all the land holdings, contractual obligations and liabilities and business operations simultaneously to three separate entities would have necessitated a myriad of legal activities that in the current context are impractical. These include surveying individual parcels of land, preparing a detailed list of all chattels held, drafting and preparation of various title transfer

documents, an assignment of transfer instruments and compliance with existing contractual requirements for assignment, to name just a few.

**3.00 p.m.**

As such, Mr. Vice-President, the only viable option available for the simultaneous transfer of all the assets, undertakings and obligations required for the various entities is the vesting of such assets by an Act of Parliament. Mr. Vice-President, Members of the House may recall that vesting of assets by an Act of Parliament is the very method by which Petrotrin became seised and possessed of some of the property, assets and rights it currently holds. Petrotrin was incorporated in 1993 to consolidate the interest of Trinidad and Tobago Oil Company Limited, (Trintoc), and Trinidad and Tobago Petroleum Company Limited, (Petrotrin). In order to simplify the merger of those interests, the assets of Trintoc and Trintopec were vested in Petrotrin through the enactment of the Petrotrin Vesting Act, Chap. 62:07. Trintoc and Trintopec are wholly owned state companies incorporated in 1974 and 1985, respectively.

In fact, Mr. Vice-President, Trintoc was also vested with its assets by Act of Parliament. The Trinidad and Tobago Oil Company Limited Vesting Act, Chap. 62:05 enacted in 1961 provided for the vesting of all the assets, liabilities and obligations of the Trinidad and Tobago Oil Company Limited, a company incorporated in the United Kingdom, in Trintoc, a company incorporated in Trinidad and Tobago. The appointed day of that vesting was January 01, 1981. Returning to the Petrotrin vesting, by section 4 of the Act the vesting of the undertakings allowed all contracts to which Trintoc and Trintopec were previously a party to be transferred to Petrotrin, and all of the collective agreements within the

meaning of the Industrial Relations Act to be construed as if Petrotrin was a party, and further that Petrotrin would be deemed to be the successor of Trintoc and Trintopec.

Section 4 also allowed for certain other rights, obligations and liabilities of Trintoc and Trintopec to be transferred to Petrotrin. These included an approved fund, plan or scheme under the Income Tax Act. All financial accounts, all power of attorney instruments, any negotiable instrument or order for payment of money, any security held for the payment or discharge of a debt, liability or obligation, any judgement or award obtained by against Trintoc and Trintopec, and all contracts of employment. In short, Mr. Vice-President, the effect of the Petrotrin Vesting Order was to permit the business operations of both Trintoc and Trintopec to not only be merged, but continue uninterrupted under the management of Petrotrin, and this is what we are seeking to do with this new vesting order. The assets that are the subject of the Petrotrin Vesting Act are listed in Schedule 2—in two schedules of the Act. In March—sorry, against that backdrop, Mr. Vice-President, I wish to advise that an order pursuant to section 6 of the Petrotrin Vesting Act has been prepared. The order contains a complete listing of the non-core assets of Trintoc and Trintopec that are to be transferred to Petrotrin, and will be executed and come into effect simultaneously with the coming into operation of the instant vesting Bill. That date is December 01, 2018.

Trintoc and Trintopec was their certain additional assets that were not accounted for in the Petrotrin Vesting Act. It is proposed that those assets be transferred to Guaracara Refining since they consist of reservoirs, a water treatment plant and an associated water infrastructure. Consequently, the vesting



Sen. The Hon. A. West (cont'd)

Bill being debated today also provides for the transfer of those additional assets directly from Trintoc and Trintopec to Guaracara Refining. Mr. Vice-President, in addition to Trintoc and Trintopec, another company that is integral to the existing corporate structure, Petrotrin, is Palo Seco Agricultural Enterprises Limited or PSAEL. PSAEL, a former subsidiary of Trintopec was incorporated in 1986. From inception to the mid '90s the main focus of the company was agriculture, hence the name. However, with the advent of Petrotrin in 1993, the merger and vesting of the oil related assets of Trintoc and Trintopec in Petrotrin, PSAEL's core function shifted to the provision of project management services to Petrotrin. PSAEL was made a wholly-owned state enterprise in 2007 and continues to provide project management services. Importantly for this purpose, PSAEL holds 3,375 acres of land on which Petrotrin currently undertakes exploration and production operations. Those lands are in Coora and Quarry and Palo Seco. In order to expedite the transfer of all the exploration and production operations from Petrotrin to Heritage Petroleum, it is further proposed that those lands be directly vested in Heritage Petroleum from PSAEL through the vesting Bill.

So, Mr. Vice-President, coming to the terms of the vesting Bill itself, it is in the context of the preceding information that I turn to the clauses. The Bill contains eight clauses and six Schedules, and it is organized in Parts related to Heritage Petroleum, Paria Fuel Trading, Guaracara Refining respectively. Clause 1 is the short title and provides for the Act to be referred to as the Miscellaneous Provisions (Heritage Petroleum, Paria Fuel Trading and Guaracara Refining Vesting) Act, 2018. Clause 2 provides for the interpretation of certain words and phrases, including definitions for the terms "appointed day", "E&P contracts",

“Minister” and “Pointe-a-Pierre Refinery Site”. Clauses 1 and 2 together comprise Part I of the Bill which addresses preliminary matters. Part II of the Bill is comprised of clauses 3 and 4, and provides for the transfer to and vesting of assets in the Heritage Petroleum Company Limited. Clause 3, subclause (1) of the Bill provides for all of the assets of Petrotrin relative to the exploration and production operations described in Schedule 1 to be transferred to and vested in Heritage Petroleum. Clause 3, subclause (2) will transfer to and vest in Heritage Petroleum 3,725 acres of land consisting of two separate parcels: 1,829 acres in Coora and Quarry and 1,896 acres in Palo Seco, more particularly described in Schedule 2, and now held by PSAEL.

As mentioned, this transfer will allow Heritage Petroleum to continue the exploration and production operations currently undertaken by Petrotrin on the PSAEL lands. Clause 4 of the Bill sets out the effect of the vesting of the assets in Heritage Petroleum and provides for Petrotrin’s existing exploration and production contracts as well as the contracts described in Schedule 3 to be continued with Heritage Petroleum as a party instead and in place of Petrotrin. And further, for Heritage Petroleum in all instances to be substituted for any reference in those contracts to Petrotrin. Therefore, Mr. Vice-President, clauses 3 and 4 together will facilitate Heritage Petroleum on the appointed day immediately assuming responsibility for the exploration and production operations at present undertaken by Petrotrin, as it would become not only seised and possessed of all the lands and oil fields used for exploration and production activities, but also become a party to all the contracts, leases, licences and operatorships under which these exploration and production activities are now undertaken. Clause 5—

Sen. The Hon. A. West (cont'd)

**Sen. Vieira:** Minister, may I ask leave?

**Sen. The Hon. A. West:** Sure.

**Sen. Vieira:** I am trying to understand—I understand what it is the Government is trying to do, but I am not seeing anything that actually speaks about these companies, so I wonder if Minister, you could let us know when these companies were incorporated? Who are the directors? The shareholders? Where are the registered offices? The by-laws? Because these are going to be very important vehicles for these transfers of assets and liabilities. So, in principle I do not have a problem with the concept, but I would like some more information about the vehicles themselves, please.

**Sen. The Hon. A. West:** Okay, I did provide some of that information earlier in my presentation. What I indicated was that the companies were formed early in October, I think it is the 4<sup>th</sup> of October, and the sole shareholder of each of the new companies is the holding company, Trinidad Petroleum Holdings Limited, and that company in turn is owned wholly by the Corporation Sole. I am unable at this time to give you details of who the directors are, but they are public companies, so that information is publicly available.

Clause 5 is where I think I had got to, Mr. Vice-President. Clause 5 of the Bill is also Part III, and provides for the vesting of assets for the terminalling operations of the Paria Fuel Trading. By virtue of clause 5 all of the assets of Petrotrin relative to the terminalling operations described in Schedule 4 will be transferred to and vested in Paria Fuel Trading. Terminalling operations, Mr. Vice-President, refer to the midstream natural gas gathering, crude oil gathering, pipeline transportation and storage facilities, and relate to certain activities

Sen. The Hon. A. West (cont'd)

undertaken at the Pointe-a-Pierre refinery. Schedule 4, which I shall turn to in due course, sets out in greater detail the right, title, claim or interest of Petrotrin in terminalling at the Pointe-a-Pierre refining site that will be taken over by Paria Fuel Trading. Part IV of the Bill which provides for the vesting of certain assets essential to the intended business operations of Guaracara Refining is comprised of clause 6. Pursuant to clause 6, subclause (1), all of the assets of Petrotrin relative to the refining operations described in Schedule 5 will be transferred to and vested in Guaracara Refining. Clause 6, subclause (2), will provide for the assets of Trintoc and Trintopec described in Schedule 6 to be transferred to and vested in Guaracara Refining.

Mr. Vice-President, those assets are the additional assets of Trintoc and Trintopec discussed earlier, namely reservoirs or water treatment plant and associated water infrastructure. The final part of the Bill, Part V, consists of clauses 7 and 8, and addresses miscellaneous matters. Clause 7, the ultimate clause of the Bill, provides for waiver of stamp duty payable under the Stamp Duty Act, Chap. 76:01, upon the transfer and vesting of the undertakings of Petrotrin, PSAEL, Trintoc and Trintopec. It should be noted, Mr. Vice-President, that a similar waiver of stamp duty was also a feature of both the Petrotrin Vesting Act and the Trinidad and Tobago Oil Company Limited Vesting Act, in both cases at section 5. Clause 8 of the Bill provides for the commencement of the Act on the 1<sup>st</sup> of December, 2018. Each of the six Schedules of the Bill, groups assets of similar classification corresponding with the company which is to be vested with those assets. As such, Schedules 1, 2 and 3 detail assets to be vested in Heritage Petroleum. Schedule 1 sets out the property and rights comprising all the assets of

the exploration and production operations of Petrotrin.

For example, it includes all mining leases, production sharing contracts, pipeline and other licences, onshore and offshore oil fields, the crude oil pipeline of the Pointe-a-Pierre refinery site, and shares in subsidiary companies that engage in exploration and production activity. Schedule 2 describes PSAEL lands located at Coora and Quarry shown shaded on a map marked “Map A-1”, and Palo Seco shown and shaded on a map marked “A-2”. Schedule 3 consists of two contracts related to water treatment in which Heritage Petroleum is to be substituted as a party instead of Petrotrin. Schedule 4 lists all of the assets, rights and properties to be transferred to Paria Fuel Trading from Petrotrin, specifically assets related to the terminalling operations at Petrotrin, and includes a portion of the Pointe-a-Pierre refinery shown shaded on the map marked “Map B”. The remaining Schedules 5 and 6 both relate to assets to be transferred to Guaracara refining. Schedule 5 sets out the particulars of the Point-a-Pierre refinery assets to be transferred to Guaracara refining, and which are shown as shaded on a map marked “Map C”. Finally, Schedule 6 refers to the non-core assets of Trintoc and Trintopec also to be transferred to Guaracara Refining.

Mr. Vice-President, I would like to conclude with the projections of the restructured company produced by consultants and based on operations to date. The net foreign exchange earnings of the restructured Petrotrin is estimated to be US \$316 million per year, calculated as follows: Inflows to total US \$1.959 billion, comprised US \$1.022 billion from the sale of crude oil; US \$809 million from sales of refined products in the region; and US \$128 million from sales of refined products through bunkering. The total outflows are estimated at \$1.643

Sen. The Hon. A. West (cont'd)

billion and comprise US \$720 million for local use; US \$799 million for importation of refined products and regional use; and US \$124 million importation of refined products for bunkering. These are the actual projections of the analysts and the experts hired by Petrotrin. But, Mr. Vice-President, we have decided to be conservative and use a figure of US \$200 million as the net figure that we expect to generate from this exercise. This figure is to be placed in the context of the cumulated losses between 2012 and 2017 of \$11.4 billion. [*Interruption*] Yes, Sen. Mark?

**Sen. Mark:** Hon. Minister, thank you very much. The experts, and consultants, and analysts that you are referring to, could you give us the names of these consultants and whether the reports that you are looking at, and you have looked at, would you be able to make those reports available to us, so that we can better contribute to this debate?

**Sen. The Hon. A. West:** Mr. Vice-President, we will deal with that later in the proceedings. Naysayers have expressed scepticism with respect to crude oil produced by Petrotrin, and whether we could find a market for those oils. Thus far, Petrotrin has achieved the sale of our crude oil at a price that is approximately \$3 more than the world price of West Texas International. I reiterate, Mr. Vice-President, that the price received by Petrotrin for the first shipment of crude oil, averaged in excess of US \$64 per barrel at a time when WTI was trading at \$61 a barrel. So, in fact, we have gained more than what was obtained under the WTI price scheme.

Additionally, Mr. Vice-President, I would have mentioned previously, the previous Government—the projects Government has undertaken to fence line

communities in order to mitigate the fallout from the termination of some of the jobs at Petrotrin. The Government is progressing along this line to introduce those projects so that we can in fact mitigate the fallout of the terminations that are taking place. In summary, all this Bill is doing, just like the 1993 Vesting Bill, is vesting certain assets of Petrotrin in various companies, which will all be state-owned enterprises to be wholly owned and controlled by Corporation Sole. Mr. Vice-President, the four companies are designed to reverse the financial abyss in which Petrotrin found itself, and we will champion the success of these companies with proper governance, management and sensible policies, to ensure that they present, again, to the taxpayers of this country. Because, if we were to do what some advisers have been promoting, or some commentators have been promoting, in keeping Petrotrin running in its current form, not only is it at risk of bankrupting the country and redirecting resources that should be used on projects like schools, and health, and social services, but we would be increasing the borrowing cost of the country that we are currently incurring, to an end that does not guarantee a positive return or a profit for the company as currently structured. We have looked at the figures and determined that this is the only reasonable solution, the projections are positive, the vesting order allows for the non-interruption of business to smooth transition, and we recommend this to the Members of this Senate, and ask for your support in this matter.

Mr. Vice-President, I thank you and I beg to move. [*Desk thumping*]

*Question proposed.*

**Sen. Gerald Ramdeen:** [*Desk thumping*] Mr. Vice-President, good afternoon, and thank you for the privilege to be able to contribute to this debate on an Act that

may be cited as the Miscellaneous Provisions (Heritage Petroleum, Paria Fuel Trading and Guaracara Refining Vesting) Bill, 2018.

Mr. Vice-President, since the 28<sup>th</sup> of August of this year the Chairman of Petrotrin, Mr. Espinet, announced the closure of the refinery at Pointe-a-Pierre. And since that day the workers of Petrotrin have been virtually living a real nightmare because of the actions of this Government. And every single day it gets worse. It is like a bad dream reoccurring every single day. Yesterday they had the version of the pension plan. On the 2<sup>nd</sup> of September the Prime Minister addressed the country, and he told the country—the hon. Prime Minister—that when the refinery is closed the Government had no choice they had to close the refinery. There would be 1,700 workers affected. Seventeen hundred. That was the Prime Minister on the 2<sup>nd</sup> of September. All of a sudden, like an avalanche, the numbers started to increase, because the Opposition decided to expose the truth about what was going on in this matter. [*Desk thumping*]

And the truth of the matter is, Mr. Vice-President, that on the 30<sup>th</sup> of November, 2018, one month before Christmas, 5, 322 workers, in the words of the Chairman of Petrotrin, Mr. Espinet, “Everybody gone.”

**Hon. Senator:** All.

**Sen. G. Ramdeen:** All. Right? So that is 5,322. Give me a minute, Mr. Vice-President, to indicate that according to the union, in addition to the 5,322 there are 3,500 contract workers that are also affected by this decision.

So, one month before Christmas, they are gone too. There are 6,000 retirees earlier that are part of that pension plan that was spoken about earlier. They are affected as well. And when we look at the families of these persons that are going



to be affected, it is almost 100,000 people that are directly affected by this assault on the Government—on the working class of the people of this country. [*Desk thumping*] And I want to assure the working class, the hard-working people, the people who have sent their children to school for four years to get a mechanical and a chemical engineering degree, and their dream is to look forward to a job at Petrotrin, that the Opposition will continue to fight this Government, and to prevent this Government from taking away the livelihood and the bread of these people every single day. [*Desk thumping*]

Mr. Vice-President, let me get down—because a number of things, I want to answer the question that Sen. Vieira asked earlier, with the Minister in the Ministry of Finance, who is piloting this Bill today, could not tell us who the directors are and when the companies were incorporated. That is the heart and soul of what we come here to debate today, you know. The heart and soul. So, there are three companies, Sen. Vieira, that we are here today to deal with: Heritage Petroleum Company Limited, incorporated on the 5<sup>th</sup> of October, 2018. And you know, I know that while I speak here today the people of Trinidad and Tobago will be looking on, and I want them to look on carefully today. Because you see these four pages that I have in my hand here, Mr. Vice-President, I will give you a lil story about these four pages in a short while. This company—and the date is very important—was incorporated on the 5<sup>th</sup> of October, 2018. To answer the question, the directors of the company are Mr. Wilfred Espinet and Mr. Reynold Adjodhasingh.

**Sen. Obika:** But she did not know that. The Minister did not know that.

**Sen. G. Ramdeen:** The registered office is 5<sup>th</sup> Floor, Newtown Centre, 30-36

Maraval Road, Newtown, Port of Spain. And the incorporator is Mr. Wilfred Espinet. So that is one. That is Heritage. Guaracara Refining Company Limited, 5<sup>th</sup> of October, 2018, incorporated. Incorporator, Wilfred Espinet; directors, Wilfred Espinet, Reynold Adjodhasingh. Four pages again, eh, Mr. Vice-President. The four pages would be relevant in a short while.

Next one, Paria Fuel Trading Company Limited. Mr. Vice-President, this company was incorporated on the 5<sup>th</sup> of October as well, 2018, and to no surprise the directors are Mr. Wilfred Espinet and Mr. Reynold Adjodhasingh, and the secretary is Miss Odisha Maharaj, and the registered office is Fifth Floor, Newtown Centre, 30-36 Maraval Road, Newtown, Port of Spain. The incorporator is Mr. Wilfred Espinet. You would realize, Mr. Vice-President, for those who cannot see, and I do not want to display it, that these are four documents, for those who are not lawyers, these are four documents, three documents, sorry, that you virtually just fill in a standard form and you file it in the registry. It was done on the 5<sup>th</sup> of October. I heard the hon. Minister of Energy and Energy Industries, pointing fingers at the Opposition and talking about corruption, corruption, everything is not corruption. Right? So you see those three documents that I just read from, which is virtually somebody sitting in an office and filling in the blanks, and putting Wilfred Espinet and Reynold Adjodhasingh, and the registered office of the company, you know it is Petrotrin that they want to tell—this Government wants to tell the country, “it have no money, dey bankrupt”. Let me tell you something, Mr. Vice-President, the people who are responsible for doing that was the firm of Johnson, Camacho and Sons. They sent in their invoice to Petrotrin on the 12<sup>th</sup> of October, 2018, and it cost the taxpayers of this country—the three

documents that I just put in there, for those who are lawyers they will understand—  
\$168,000 to do that.

**Hon. Senator:** “Woooooo.”

**Sen. G. Ramdeen:** Right! You see, when you point your finger at one person it has four pointing back at you. So today you would hear the story about that, \$168,000 it cost them; \$168,988 for professional services to incorporate three companies.

Mr. Vice-President, very disturbing, this entire affair of this restructuring of Petrotrin is a matter that the Opposition takes very seriously. The Opposition takes it very seriously, because from where I sit and when I look at what has happened here, it is like a web of illegality taking place left, right and center. [*Desk thumping*] And you see earlier, Mr. Vice-President, I said that these companies were incorporated on the 5<sup>th</sup> of October, and I said we must take note of the date, the 5<sup>th</sup> of October. You see, I have in my hand here the Cabinet Minute. When Cabinet considered this matter.

**Hon. Senator:** Oh.

**Sen. G. Ramdeen:** Oh, yeah, we got it. I will tell you just now, oh, hold on, just now. You know where this document came from? “It ain’t come in no post box.” You see this document [*Holds up document*] Cabinet Minute FI8I where Cabinet considered this matter? You know when Cabinet considered this? On the 7<sup>th</sup> of November, 2018. Hear what the introductory note of the Cabinet—hear what the introductory paragraph of the Cabinet Note says, company incorporated on the 5<sup>th</sup> of October:

The matter for the consideration of Cabinet is the grant of covering approval

for the establishment of new businesses for exploration and production, terminalling and refinery after November 30<sup>th</sup> 2018, closure of the operations of the Petroleum Company of Trinidad and Tobago, Petrotrin, through the vesting Act and ministerial order which would take effect on December 1<sup>st</sup>, 2018.

**3.30 p.m.**

So how it is, Mr. Vice-President—perhaps the Minister of Energy and Energy Industries will be able to explain to us, that Cabinet is considering this matter to give approval to do what was already done more than a month ago when Cabinet was doing it. And, you know, I am expecting that somebody is going to get up and say, like the floods down in Pluck Road and Woodland, that this might be a fake Cabinet Note, just like how the floods were fake. But let me tell you something, Mr. Vice-President, you see this Cabinet Note, you see the stamp from Cabinet here, this was not delivered in any post box. This was given to me by a Member of the Cabinet of Trinidad and Tobago. [*Desk thumping*]

**Hon. Senator:** “Ooh goood.”

**Sen. G. Ramdeen:** That is why it is not fake.

**Sen. Obika:** Examine the board.

**Sen. G. Ramdeen:** That is why it is not fake. And you know what was told to me when it was given to me by a Member of the Cabinet of Trinidad and Tobago, the Cabinet led by the hon. Dr. Keith Christopher Rowley? He said, Ramdeen, we want you to expose this, because you know why? We “doh” have no choice in the Cabinet. When they bring it, we just have to agree.

So, let the people in the Cabinet also do their job, because the people who

are sitting in the Cabinet of Trinidad and Tobago are upset about what is going on. Because they understand what the working class—you know what it is, Mr. Vice-President, one month before Christmas to send home over 10,000 people in the season of giving? I am waiting for this Government, the last sitting of this Session, to get up and talk about the season of giving. In the season of giving they take away 10,000 jobs. [*Desk thumping*] In the season of giving—and they will get up at the last sitting and they will talk about Christmas and giving. In the season of giving you take away 10,000 jobs. I wonder if anybody understands that on the 30<sup>th</sup> of November—when the 25<sup>th</sup> of December reach, 10,000 families do not have a salary. There are people where two breadwinners are working in Petrotrin. They will face Christmas without an income. What is going to happen to their children? What is going to happen to their children at university? You know what the answer to that was, Mr. Vice-President? The answer that the population of Trinidad and Tobago was told was that, when the refinery shuts down all you have to do is go down by the San Fernando Wharf, we are opening a waterfront down there. You will get a job down there. And you know what to do, if you “doh” get it there, travel a little further south, down to La Brea and you will get a job there.

So let me tell you the reasoning of this Government, Mr. Vice-President. The reasoning of the Government is this, I sacrifice to send my child to school to become a chemical engineer, to become a mechanical engineer, right. You know when the refinery close down, the same son or daughter that I sacrifice for four years to send to become a chemical engineer, living their dream like Sen. Ramkissoon, you know what “she have” to do? Go down by the Wharf and sell

some carite and herring and when you “doh” get through with that go and build some boat down in La Brea. That is the reasoning of the Government. That is what they sell to the population. That is in the best interest of the population. But I am happy that the Minister of Finance said this afternoon that the reason why Petrotrin is in this position is because it was in \$19 billion in cost overruns. Nineteen billion dollars in cost overruns, under which administration?

**Hon. Senator:** The PNM.

**Sen. G. Ramdeen:** The PNM.

**Sen. Gopee-Scoon:** And—

**Sen. Obika:** The PNM. “Doh try that.”

**Sen. G. Ramdeen:** So every single—[*Crosstalk*]

**Sen. Obika:** “Doh try that the PNM!”

**Hon. Senator:** And the UNC.

**Sen. Obika:** “Doh try that. That is false. The PNM.

[*Mr. Vice-President stands*]

**Sen. G. Ramdeen:** Thank you, Mr. Vice-President. So, Mr. Vice-President, every single project that comprised that \$19 billion cost overrun was started under a PNM administration. Every single one. [*Desk thumping*] So “doh” disown it now. “Doh” disown it now at all. So, Mr. Vice-President, the Cabinet Note shows that Cabinet considered this, giving authority, ex post facto, totally unlawful, we start off with that. After that we go to this individual—well, let me just quickly touch on this one.

Mr. Vice-President, the Minister in the Ministry of Finance gives us the impression that these new companies, Guaracara, Paria, Heritage, paints the picture

that everything is going to be rosy from head on. Answering the question of Sen. Vieira, I told you, the same directors of Petrotrin, the same chairman is the same chairman who is going to be in these the companies, you know. That is why Sen. Vieira ask that. Because you want to know who are going to run these companies. If it is going to be any different from what happened in Petrotrin. And I will show you how it will be no different. You know why, Mr. Vice-President, yesterday the Industrial Court gave a decision where they found Petrotrin, pursuant to a decision taken by a Petrotrin Board, led by the same chairman who is now a director on three of these companies, you know what the Industrial Court found? Let me read it, paragraph 46:

We therefore find that for the reason stated above and the facts found by this Court, the industrial relations offence under section 14 has been made out.

Illegality number two. The same people who are running Petrotrin today are the same people who have been found to have made a decision that a superior court of record has found to be committing an industrial offence under the Industrial Relations Act. Let them continue with that. [*Desk thumping*] So that is the illegality number two.

**Sen. Obika:** The man is a crook.

**Sen. G. Ramdeen:** So let us go down to illegality number three.

**Sen. Obika:** Tell them man, tell them.

**Sen. G. Ramdeen:** Mr. Vice-President, we have been hearing a lot about this man called Mr. Mike Wiley who has been hired according to the hon. Prime Minister—

**Sen. Obika:** Since August.

**Sen. G. Ramdeen:** Since August. Let me quote the hon. Prime Minister, Mr. Vice-President. The hon. Prime Minister said:

“So far Petrotrin has used international recruitment processes to hire one person of the highest calibre”—so far—“because it’s the intention of Petrotrin to use international benchmarking so that the oil company be engaged in oil company production.”

Excellent.

Mr. Vice-President, the Leader of the Opposition raised this matter in another place, and while listening to the debate I heard the response of the hon. Minister of Finance. And the Leader of the Opposition in raising this very serious matter, Mr. Vice-President, because the Minister of Energy and Energy Industries said today, he does not know who are the people who are responsible for the duty that is placed upon them to decide who is going to buy the petroleum that comes out of the ground that belongs to the people of Trinidad and Tobago. He “is not business” about that. He “doh” know about that, he “doh get involve” in that. But it may be very good for the Minister of Finance to go back and read section 5 of the Petroleum Act that places the statutory duty on the running of this industry called the petroleum industry on the Minister of Energy and Energy Affairs.

**Hon. Senator:** Industry.

**Sen. G. Ramdeen:** All right, sorry, industry. But you see, Mr. Vice-President, this Petroleum Act has some Regulations attached to it. And one of the Regulations is Regulation 42 (f). And let me quickly just run through 42(f). It provides that:

“A licensee shall—



(f) minimise the employment of foreign personnel...”

Foreign personnel. They should minimize it. This is a duty on every licensee, eh:

“...ensure that such employees are engaged only in positions for which the operator cannot, after reasonable advertisement in at least one daily newspaper circulating in Trinidad and Tobago, find available nationals of Trinidad and Tobago having the necessary qualifications and experience; determine the rules of employment including salary scales in such manner as to ensure that all employees in the same category enjoy equal conditions irrespective of nationality;”

So the Petroleum Act says that these companies, Paria, Guaracara, Heritage, they have a duty to ensure that they comply with section 42(f), which places a further duty on them to make sure and—if you are going to fill positions they must be filled by locals first.

So, Mr. Vice-President, when the hon. Prime Minister tells us that Petrotrin has recruited an international firm and they brought Mr. Wiley here, you know what the response of the Minister of Finance was? The response was, Heritage Petroleum Company Limited is not a licensee. That was the response. So that, do not apply to Heritage. Well, Mr. Vice-President, with the greatest respect and you know the Minister of Finance is a man with immense qualifications; he has two Masters in law I understand with distinctions. But with two Masters in law and a distinction you tell me that you do not understand that Petrotrin is the licensee and Petrotrin in the person that the Prime Minister said employed Mr. Wiley. So did Petrotrin breach the law when they employed Mr. Wiley and did not comply with

42(f)? It is as simple as that. [*Desk thumping*] That is illegality number 3.

But while I am on that, Mr. Vice-President, I want to just make reference to an article here on page A15 of the *Guardian* of Saturday November 17, 2018. The headline of the article is:

“Young at post-Cabinet briefing:  
Heritage CEO hired by global recruiter”

You see, the same question that all of us keep asking, Mr. Vice-President, is why does the Government not come clean with the people of Trinidad and Tobago and tell them the truth about what is happening?

**Sen. Mark:** Exactly.

**Sen. G. Ramdeen:** So we understand from Minister Young that the firm Egon Zehnder, I hope I pronounced that correct:

“...specialises in Executive and CEO searches and other recruitment services.”

And this is what the article says, Mr. Vice-President.

“Young was asked about Wiley’s recruitment at yesterday’s post-Cabinet briefing in Tobago after the issue was raised by UNC leader Kamla Persad-Bissessar and other Opposition MPs.

He said recruitments were being done by two international firms...”

And this is what I want to concentrate on, Mr. Vice-President.

“He said recruitments were being done by two international firms but he couldn’t recall their names.”

Sound similar, eh? We just do not know the names. No problem.

Mr. Vice-President, I have a document here that was provided to me, not in

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my mail box, but by a member of the board of Petrotrin. The document that I am going to read from is a document prepared by the Finance Committee in Petrotrin. It is entitled:

Petroleum Company of Trinidad and Tobago Limited, consultancy cost incurred, 2017 October 01 to October 31, 2018. Restructuring cost.

These are the costs that have been incurred by Petrotrin in relation to Heritage, in relation to Paria and in relation to Guaracara. The table is headed up, Heritage, Paria so let us get into it. Let the people of Trinidad and Tobago know that in order to recruit Mr. Wiley by the international firm that was announced by Minister Young, Egon Zehnder International, between the 28<sup>th</sup> of June, 2018, and the 21<sup>st</sup> of August, 2018, the firm was paid a small sum, I want to state slowly, \$4,554,813.97.

**Hon. Senator:** To hire Wiley?

**Sen. G. Ramdeen:** That was to hire the man that is being paid \$250,000 a month, \$4,554,813.97. But Minister Young could not remember at that time who was the other firm. Professional Resourcing Solutions Limited. Between September 17<sup>th</sup> and October 26<sup>th</sup>, the same firm, Petrotrin, the same Petrotrin that “doh have” any money, between September 17<sup>th</sup> and October 26<sup>th</sup>, that is 40 days, Professional Resourcing Solutions Limited was paid, \$3.7 million; \$3,739,846. That is from Petrotrin, eh, who do not have any money.

It gets a little better than that, Mr. Vice-President. You heard—this happened, the same debate we are having now, Sen. Mark got up and asked the Minister: can you tell us, who are the consultants that are providing all this advice to the Government? McKinsey, very familiar name to everybody, top of the line,

first in class. Let me tell you what the people of Trinidad and Tobago have been paying for the first in class advice from McKinsey. Between the period 28<sup>th</sup> of June and the 31<sup>st</sup> of October, 2018, the people of Trinidad and Tobago, through Petrotrin, have paid McKinsey \$66 million—

**Hon. Senator:** “Ooh goood.”

**Sen. G. Ramdeen:** For advice.

**Sen. Ameen:** What!

**Sen. G. Ramdeen:** \$66 million. You want to hear the exact figure?—\$54,008,237.50 plus \$12,836,685, in excess of \$66 million for advice. That is one firm, you know. And you know the people of Trinidad were upset about this thing about Mr. Wiley. They find it bad that he is getting paid, \$225,000 a month.

Mr. Vice-President, let me tell you why I am doing this. Why I am doing this is because I am putting on the *Hansard* today the same position that Petrotrin finds itself in today and found itself in as a result of decisions of a PNM administration, \$19 billion in cost overruns, it is going to be no different under Paria, Heritage and Guaracara under the people appointed by them. [*Desk thumping*] And let me tell you why, Mr. Vice-President. The board member provided me with another document, it might be very familiar to the Minister of Energy and Energy Industries, Sen. the Hon. Franklin Khan, dated the 8<sup>th</sup> of August 2018, a letter written by none other than Mr. Wilfred Espinet, chairman of Petrotrin copying the Minister of Finance and the Minister in the Office of the Attorney General, the hon. Minister Stuart Young. Let me tell you the story about this one, Mr. Vice-President. And let Trinidad and Tobago know what is going on under the PNM. Everything is above board, it have no corruption. So listen to this

one. Mr. Espinet, the chairman of Petrotrin, is writing to the Minister of Energy and Energy Industries. Hear what he is writing him to tell him, on the 8<sup>th</sup> of August:

We write to seek your assistance and support in obtaining a work permit for Mr.—

And I do not want to spell the man's name wrong, Mr. Vice-President, C-H-Y-A-U Lin. Mr. Chyau Lin, Mr. Lin. I am sure the Minister would—he is very familiar with this, of:

No. 505 North Lake Shore Drive, Apt. 1303, Chicago, Illinois, United States of America.

And hear what it is about:

Following our review of top management at Petrotrin it was determined that a head downstream executive was a critical deficiency. As a result, an international search was conducted.

Again, illegality again, right. “Doh” worry, Trinidad have no good people.

When you hear the Minister talk about Trevor Boopsingh, everybody know, Trevor Boopsingh, right, big thing, but all of a sudden in 2018 no educated people in Trinidad to get any work at Petrotrin. So we are only looking at international.

International executive search was conducted after an exhaustive process. Mr. Lin was chosen as the best candidate equipped for the downstream position. Mr. Lin has broad international expertise with a focus in the downstream sector and it is available sector and is available to commence work in two weeks.

You know what the story of Mr. Lin was. I will tell you the story about Mr.

Lin. I “gone back” to my board document that was provided by the member of the board. And it just so happened that I find Mr. Lin name on this list of expenses. But hear the interesting thing about Mr. Lin, Mr. Vice-President. Mr. Lin has an invoice dated 21<sup>st</sup> of September, 2018. Hear the remarks on this one, Mr. Vice-President.

Reimbursement of expenses as per contract.

You know what happened with Mr. Lin? Mr. Lin never work for Petrotrin. He signed up on the contract and then Petrotrin decide, we “eh” doing that again, so we have to pay off Mr. Lin. You know how much Mr. Lin cost the taxpayers of this country?—\$1,729,372.58.

**Sen. Obika:** Michael Jackson signature.

**Sen. G. Ramdeen:** When you are telling people they must go home on the 30<sup>th</sup> of November and you are guaranteeing—the Minister of Finance read out a list, you are guaranteeing money to Petrotrin. Petrotrin “cyah” do anything good. You know why Petrotrin is in the position they are in? Because of decisions like this. [*Desk thumping*] And when you are \$19 billion in cost overruns and you come and fool the population, you deceive the population, you come and tell the population everything going to be real hunky-dory here go after. You employ “ah” man, you pay him \$1.7 million and he never work a day for Petrotrin. How do you want us to accept that? How do you want us to accept that, Mr. Vice-President, and you come here to talk about Heritage and Paria and Guaracara? We are not accepting that and we are not supporting this. [*Desk thumping*] And you know why we are not supporting it, because this country has seen in black and white the reputation of the PNM between 2010. They like to come and talk about, between 2010 and

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2015, oil was \$100 a barrel and what did they do with it. When oil was \$140 a barrel and when Natural Gas was \$12 per MMBtu this Government was singing this same song, from this same hymn book and saying everything will be good until we had to fix it the between 2010 and 2015. [*Desk thumping*]

**Sen. Obika:** When the price was high they went and borrow.

**Sen. G. Ramdeen:** So, Mr. Vice-President, while I was going through this list, this same list about expenses, you know what the Minister of Energy and Energy Industries said, nothing is corruption under the PNM. “Is not like all yuh.” But the first name on the list, the first name on the list, Caribbean Corporate Clinic. You ever hear about them? Somewhere in Woodbrook I understand. All of a sudden like Easter Sunday, they resurrect from somewhere. I never hear about this firm before, Caribbean Corporate Clinic. All of a sudden in March of this year this company called Caribbean Corporate Clinic start billing Petrotrin \$200,000 a month; \$102,000 on a monthly basis, invoice going in at the end of the month. I say, “I doh know who these people is, I have to find out why is this”. This is taxpayers’ money, you know. In a few months they rack up \$918,000.

So I went and pay \$20, get the company documents and “a-a”, lo and behold, “who is” the directors of this company? Who? Who is getting paid, \$102,000 and \$204,000 a month? Shafeek Sultan-Khan. You remember that man, Mr. Vice-President? A man who was answering, why, before the election of 2010, WASA was giving out a contract for \$700 million and he say, nothing is wrong with that. And all of a sudden he became the chairman of CL Financial under the PNM, all of a sudden he resurrect under Paria, Heritage and Guaracara. So his company, Mr. Shafeek Sultan-Khan, pulling \$102,000 a month from Petrotrin, who

does not have any money according to the Government and everything running smooth. But we cannot be told what they are doing and we do not know what they are doing.

Anyway, the people at Petrotrin, Mr. Vice-President, the one thing I want to tell you is, that if you have the opportunity it will be useful for you to have lunch with these people, because when they have a meeting their lunch bill for one meeting down at Petrotrin, they only eat \$23,000 in food. Twenty-three thousand dollars in food, when you have 10,000 people who are not sure they will get a meal at the end of November 30<sup>th</sup>, you are eating \$23,000 in food. Everybody is eating ah food down here.

Solomon and Associates. Remember when Sen. Mark asked for the Solomon Report and that one was dropped in my mail box. They only bill the Government, the people of Trinidad and Tobago \$7.4 million, in addition to the \$66 million that McKinsey was billing. It is going to be no different. The PNM cannot resist, they cannot resist spending the taxpayers' money in this manner and it will be no different. You know what it is like to stand up here to debate a Bill today and the Minister who has the statutory responsibility for the Petroleum sector does not know who is evaluating the bids for the Petroleum that is being pulled out of the ground that somehow it is going to bring \$200 million to the people of Trinidad and Tobago. You could believe that? You expect us to accept that?

**Sen. Obika:** Incompetence. Incomparable incompetence.

**Sen. G. Ramdeen:** Mr. Vice-President, today is not a day for us to sit down and hear about who get educated down in Guaya and when they went and they work for Petrotrin and they went and work for Shell. You see today, today we want



answers. We want the Minister of Energy and Energy Industries, “doh” tell us about the history of the PNM when you get up to speak and the history of how you became an engineer. We want to know what is going on in Petrotrin today. [*Desk thumping*] Because you see—I am happy to see Mr. Andre Hosein here today. I am very happy. Because Mr. Hosein, who is sitting in the public gallery, provided an opinion to the senior manager, Law and Land Management, on June 20, 2017, about the effect of splitting up this company and doing exactly what this Parliament is asked to do today. And Mr. Hosein made reference, the opinion is dated 20<sup>th</sup> of June, 2017. The subject is:

The effect of splitting Petrotrin on the US 850 million indenture.

And Mr. Hosein made reference to Article 6, section 6.01.

A. When company may merge or transfer assets, Successor Company.  
For so long—and this is what it says—for so long as any securities are outstanding the company may not consolidate with or merged into any other person or convey or transfer its properties and assets substantially as an entity to any person unless...

And there are certain conditions.

You see, Mr. Vice-President, one of the issues that arise is whether when we are asked to do this today as a Parliament and legitimize what we are being asked to do in this piece of legislation, whether one of the consequences is that we will be endangering the financial system of Trinidad and Tobago, because these bonds could then fall into a position of default. And I have no confidence in anything that the Government tells us about they meet with bond holders. Hear what the people of Trinidad and Tobago heard today, Credit Suisse, Blades, and all of a

sudden, Ansa McAL. [*Crosstalk*] Nothing is wrong with that. What is wrong is what I am disclosing today. We want to know the answers to this. What is wrong with that? [*Desk thumping*] Because I am sure soon, soon, some Cabinet Minister or some board member will provide me with the details of what is going on with that. What is wrong with that, Mr. Vice-President, to answer the talk about, what is wrong with it? What is wrong with it, is that we get the names of who is doing it but we have no details of what is being done. The people of Trinidad and Tobago have to pay that \$850 million back. The \$850 million—

**Mr. Vice-President:** Senator, you have five minutes.

**Sen. G. Ramdeen:** Yes, Mr. Vice-President, thank you very much. The \$850 million that was borrowed, that the people of Trinidad and Tobago—when the Government conveniently finds the time now to tell the people, well that money could have been used on schools and hospitals and books and roads. When they were spending it and borrowing the \$850 million at 9½ per cent on the international market and having the bondholders have a noose around the neck of the taxpayers' of Trinidad and Tobago, they were not studying schools, and books and roads and children and computers. “They was not studying that.” But today, the Minister in the Ministry of Finance could come and tell us, do not worry about the bond, the bond is being renegotiated. But as a Parliament we do not know, we could know who it is being renegotiated with but we do not know what the terms are.

What is the secret? Why does everything that surrounds this Petrotrin saga always have to be shrouded in secrecy and the people—it is not—the Government must understand this is not the PNM money they are dealing with. This is not

money that belongs to Balisier House. This is money that belongs to the people of Trinidad and Tobago. [*Desk thumping*] We have a right to know. We have a right to know how much Ansa McAL is being paid to refinance the bond. We have a right to know how much Credit Suisse is being paid to refinance the bond.

Mr. Vice-President, you see this entire Petrotrin saga, this entire Guaracara, Paria and Heritage, is going to bring no relief to the people of Trinidad and Tobago. Because it is the same players that got rid of the staff at Petrotrin, the same players who Mr. Espinet say, I was not responsible for making a decision to shut down Petrotrin. It was not me. Everything you ask Mr. Espinet, it was not me. Those are the same players that are going to fill the positions. Let me tell you, Mr. Vice-President, let me tell you one more thing about this Cabinet Note, you see this Cabinet Note, let me tell Trinidad and Tobago—like they did not read it when they get it. One of the things that Cabinet agreed in this Cabinet Note was that the maximum number of directors in the new companies will be increased from seven to 13, for flexibility, consistency and consistent with general practice, 13 of them they are going to put in each one. So 13 by four, and what are they going to pay them? Why do they not tell us that? The rumour is that each one is going to get \$100,000 a month.

**Sen. Khan:** “Doh” go there. That is the state enterprise. Mr. Manuel is governing that.

**Sen. G. Ramdeen:** You also have laws governing this. But you all did not know what was in the Petroleum Act and Petroleum Regulations, so do not tell me nothing about Manuel and state regulations. You all breach everything possible that you could breach. [*Desk thumping*] So we do not want to hear about that. It

also have a law called the Petroleum Act, you all “eh” know about that either.

Mr. Vice-President, this Opposition is going to oppose this Government on this Petrotrin issue, because it is clear to us that the people of Trinidad and Tobago are the victims of this decision; [*Desk thumping*] the hard-working people of Trinidad and Tobago. The people who have toiled for years to give their children an education. The people who have toiled for years in Petrotrin do not know if their pension is safe when they leave Petrotrin on the 30<sup>th</sup> of November. And the excuses that are being proffered by the Government over and over and over are just simply a tissue of untruths and like you say, Mr. Vice-President, it comes to mind, I want to end with that. What a tangled web we weave when we first set out to deceive. Stop the deception, Mr. Vice-President. The people of Trinidad and Tobago deserve better than that. I thank you. [*Desk thumping*]

**4.00 p.m.**

**Sen. Anthony Vieira:** Thank you, Mr. Vice-President, and I want to thank my colleagues for allowing me to jump the queue. I am leaving early today. I was not planning to speak on this Bill but after hearing the hon. Minister, I felt I should say a few things, because while I very much understand the concept of a vesting order—it makes very good sense commercially and it is an expedient mechanism to avoid stamp duty, conveyancing, taxes, all the paraphernalia that would go with this momentous type of undertaking, and I think it was also done, as the Minister said, with Petrotrin, and I think it was done with FCB as well, with the Penny Bank and the Trinidad Cooperatives.

So this is nothing sinister here, nothing new. It makes good financial and corporate sense, but the effect of this Bill will do away with Petrotrin because after

this Bill takes effect, Petrotrin is just a shell. So this is a very—[*Desk thumping*]—this is a very momentous undertaking and we need to treat with it seriously.

And here is where I have a little problem, because we are talking about major assets. We are transferring lands, assets, contracts, from Petrotrin to these three companies: Heritage, Paria and Guaracara. Right? And we are not talking little assets. We are talking about all oil-mining leases, production-sharing contracts, petroleum licences, pipeline licences, onshore/offshore oilfields, crude oil pipeline; we are talking about tank farms, harbours, docks, berths, pipelines, machinery, equipment, buildings, roads, drains.

It is a serious undertaking, this. And so my concern really has to do with transparency, accountability and good governance. [*Desk thumping*] And that is going to be my approach on almost everything when it comes to things of this nature. It is called the TAG formula: transparency, accountability and good governance.

Now, given the seriousness of this undertaking and the implications and the consequences, I would have thought we would have had a little more information. You know? Because you are taking it from entity A and you are giving it to entity B. Entity A, I know, was not a perfect entity, but I know nothing about entity B. I would want to know that my successor is up to the point. Do these companies have staff? Do these companies have furniture? If these companies wanted to open a bank account, they could not do it with the information that we have been given in this Parliament. I could tell you, when you have to go for a bank account you have to provide all kinds of information, down to your address, you know, your projections.

All kinds of stuff I would have expected. So I would tell you, you get a fail for coming here and asking me [*Desk thumping*] to do this momentous transfer undertaking and you cannot tell me who the directors are. I would want to know that you have three boards in place, of people who are eminently qualified to do the things that you are taking from Petrotrin and giving to this new operation. You have the same persons on all three boards? Does that make sense? Who is working for them? I have some concerns and, as I say, if you were going to open a bank account here, you would need a lot more basic information. And I would say I would support this Bill but I think a lot more information is required in keeping with the transparency, accountability and good governance formula.

I thank you. [*Desk thumping*]

**Sen. Taharqa Obika:** [*Desk thumping*] Mr. Vice-President, I thank you for acknowledging me as I rise to join this debate, but I must say that I am totally disappointed that the Government has refused to field another speaker on this Bill. [*Desk thumping*]

**Sen. Ameen:** Shame on you.

**Sen. T. Obika:** I mean, after the lacklustre introduction by the Minister in the Ministry of Finance and the scant courtesy given to this House with total absence of information, I would have expected that this Government would have tried to correct the record. One would have thought that—

**Sen. Ameen:** The record is correct already.

**Sen. T. Obika:**—Sen. Vieira's call would have been answered.

**Sen. Ramdeen:** And then adjourn.

**Sen. T. Obika:** However, I want to start by saying that this Petrotrin Vesting Bill,

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2018, to keep the title short, would be to the detriment of the people of Trinidad and Tobago. So I join this debate to condemn the Government for acting illegally. [*Desk thumping*] And of course, Sen. Ramdeen did an excellent job at pointing out the illegalities and there are Senators to come, of course, who would hammer that point.

My focus would be on the impact on energy and energy security, and I ask your guidance to allow me to refer to my notes, because, of course, this matter is significant and I want to make sure that I correct the record for the public of Trinidad and Tobago. I thank you.

So I repeat, this Bill—the Miscellaneous Provisions (Heritage Petroleum, Paria Fuel Trading and Guaracara Refining Vesting) Bill, 2018—to vest Petrotrin assets and ultimately close down, as we know it, Petrotrin. This would be to the detriment of the people of Trinidad and Tobago. It will bring harm to the people. It would be injurious to our economy and it will damage Trinidad and Tobago as we know it. And I want to outline six areas where this will happen.

The first detriment is job losses. We know in the case of Petrotrin, over 9,000 jobs have already been lost by this callous and wicked act, from persons who are employed directly with the company and persons external to the company. The second detriment would be to the economy of Trinidad and Tobago. Now, the Energy Chamber is on record stating that 400 companies will be affected negatively by this reckless action of this PNM Government. The third detriment is that of energy insecurity, and in Part IV of the Bill I will show how that is connected to this whole concept of the Guaracara Refining Company.

Energy insecurity has befallen Trinidad and Tobago by the stroke of a pen

by virtue of the shutdown of the refinery in Petrotrin, and, of course, the only persons on the planet who do not believe that Petrotrin has been shut down are the spokespersons for the Cabinet. Now the fourth detriment, Mr. Vice-President—and this is a very severe issue and it strikes at the heart of why we vote in this country and why we pay taxes—is that the majority of the liabilities of the Petrotrin that we know will not be borne by the new company, but by us, the taxpayers, the citizens of the Republic of Trinidad and Tobago, and that is a travesty.

The two bonds that an incompetent PNM Government—in 2007 at 6.75 or 6.5 per cent, and in 2009 at 9.5 per cent—can you imagine, when they could have obtained, based on the strength of the company and the future cash flows and so on, probably rates of 2.5 to 3 per cent? So this Government has paid over \$5.6 billion on one bond, where they could have saved about \$4 billion. [*Desk thumping*] This is taxpayers' money.

**Sen. Ramdeen:** Wastage.

**Sen. T. Obika:** Because of the incompetence—I call it the incomparable incompetence, because it cannot be compared to anything else, of the PNM Government. So these two bonds have been used as the hangman's noose around the people of Trinidad and Tobago and Petrotrin.

The fifth detriment is there are uncertain exit costs which even the Central Bank of Trinidad and Tobago in its November 2018—just published—*Monetary Policy Report* has flagged as significant risk factors—and I will get to that when I flesh out each detriment in detail. And the sixth and last detriment I want to point out, Mr. Vice-President, which carries us to Schedule 2 of the Bill, is regarding



PSAEL Lands. And they gave us a very inferior map here in the Bill which, despite having newly purchased my spectacles, I cannot read. However, we were fortunate to have the proper map—

**Sen. Ameen:** From another source.

**Sen. T. Obika:**—from another source, the real source, which shows how many persons will be affected, and it is very severe, and it is an area that is close to me because I traversed there daily when I was in charge of an office in Siparia in the Ministry of Labour.

Now, the sixth detriment is that the process outlined in this Bill is negative to our national spirit. So let me begin with the sixth detriment first. This Bill and its consequences will have a significant negative impact on our national spirit. So I want to turn to an article in today's *Guardian* newspapers, which reads:

“Homes on Trintopec land demolished”

For those listening—because there are young persons who I teach. When I ask them about 1990, they tell me that is what their parents tell them about because they were not born. So when I say, Trintopec, I want the young persons to understand, all that is Petrotrin. For all intents and purposes, it boils down to Petrotrin. The article starts, and I will just read a brief part of it:

“After toiling in the Trinmar tank farms for the past decade, Anthony Aqui will be one of those without a job come December 1 as a result of the impending closure of Petrotrin. But Aqui was brought to tears yesterday when the Santa Flora home he had pumped thousands of dollars into for his children was reduced to rubble by a contractor who demolished his and...other homes in the community.”

Mr. Vice-President—and I was telling my colleagues, because I am from Point Fortin and I am very familiar with this area—you cannot, because of our corrupt history of slavery, the entire action envisaged by this vesting Bill will break the spirit of families in Trinidad who live on lands that, by virtue of the cruelty of slavery and indentureship were given to the elite ruling class in this country.

So, therefore, if you belonged to a community in south Trinidad and you were not given lands by the Crown because your fore-parents fought against the Americans in lieu of independence for your company settlement; if you are like the rest of us who had to wait for liberation from slavery or indentureship, you have to now fight for scraps, the lands that were not taken by the Crown. Okay? And once oil was found, there was no land for you and I.

So the majority of communities in these areas, in effect, are really squatting. And when you look at the map here, there are many houses on lands that are said to be retained by PSAEL and required by Petrotrin. There is a village called Los Bajos. Those who are familiar with south are familiar with that village. I taught a class there, in mathematics. And basically the entire village is under threat based on the drawings here. Of course, the Government did not tell the persons that, but the message was received loud and clear in Santa Flora last night. Because as we speak today, there are persons who do not know where their children will sleep tonight because of the wickedness of this PNM Government, [*Desk thumping*] and the sinister actions that are at the heart of this Bill.

So it is definitely a shame that the great grandchildren of the people who built this country, the real people who built this country, the majority of people who worked in the sugar and cocoa and coffee are without a home, by the very

persons who they elected as government officials themselves. This is land reform, PNM-style, Mr. Vice-President, to the detriment of the people of Trinidad and Tobago.

So while it is obvious to us, I am sure it will be obvious to everyone in Trinidad and Tobago when they consider the scenario. The locals are accused by a Petrotrin chairman of being untrained, incapable of turnaround, unproductive and all the negative accolades. Now, I think this Parliament must publicly reprimand an individual by the name of Wilfred Espinet. Because I have spent some years in West Africa and there are African countries today—Equatorial Guinea was here recently at the energy symposium. They are declaring that they follow the Trinidad and Tobago model for energy development and energy security in terms of how they treat with the multinationals. If you are Trinidad and Tobago born and trained right here in St. Augustine, and working in the oil companies in Trinidad, you can fetch top dollar internationally. I am talking about McKenzie and Solomon, and so on. You train here locally in the energy sector, nowhere else, because you are familiar with the Trinidad and Tobago model of development against the multinationals in the interest of your people, you can get top dollar in any country across the world where they are fighting the multinationals. And for Wilfred Espinet to go on record as saying that the people in Trinidad and Tobago in Petrotrin are untrained and unskilled, he should be chased out of here from whence he came.

Now, the other scenario is the debt profile is blamed as the problem at the time when the price of oil was at a 10-year low, less than \$30 a barrel. The Minister of Finance was totally disingenuous by referring to the \$26 a barrel

because right now the price is buoyant at—the last time I checked it is just under \$70 a barrel. It hovers around that price. Okay? So they are experiencing good times and therefore the people should not pay for their incompetence. All locals are summarily retrenched. Petrotrin closed down the refinery and a foreigner is the first man—to add insult to injury, on top of it being illegal, a foreigner is the first man brought to be the saving grace of a company where we have taken all the debts from.

Where is the Association of Caribbean Energy Specialists? Where are they? I call on them, shame, today. They must come out and call out this Government on this wicked act. And once they call out this Government I will retract that statement of shame and I will add a statement of applause and congratulations for doing what is right in spite of the wickedness of this entire Bill.

Now, our national spirit—so this is the first detriment only, eh, Mr. Vice-President. Our national spirit is one that has everlasting belief in our competence and intellect. There is no one smarter than a Trinbagonian. But by this action the PNM has driven a stake through the heart of our national identity and our national spirit. Clauses 3 and 4 will facilitate Heritage Petroleum on the appointed day immediately carrying out the exploration and production operations under someone who we do not know if “he know” what is pelau, roti, doubles, bake and shark—you understand—dancing the jig, Borough Day—

**Sen. Khan:** So what that has to do with—

**Sen. T. Obika:** That has to do with the spirit of the people of Trinidad and Tobago, and if you do not know that, hon. Minister of Energy and Energy Industries, then I am sorry for you.

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**Sen. Ramdeen:** He should resign.

**Sen. T. Obika:** Now all of us will be under the control of this new “massa”.  
[*Interruption*] You only heard doubles. You did not hear bake and shark and  
dancing jig.

I want to go to detriment number one, Mr. Vice-President, and I wish to ask  
at what time I should end my contribution.

**Mr. Vice-President:** You end at 4.44.

**Sen. T. Obika:** Sorry?

**Mr. Vice-President:** 4.44.

**Sen. T. Obika:** Thank you very much. I am hearing an hon. Minister opposite  
who is from this area, and I know he is grieving inside. I do not know if he was  
one of the persons who slipped the information to Sen. Ramdeen. [*Laughter*] So  
detriment number one is job losses. Job losses have been the order of the day  
under this PNM Government, and already, for the year 2017, the CSO has pointed  
that 12,000 jobs have been lost—12,000, just for 2017. We have no data for 2018  
as yet. We know in the case of Petrotrin, about the 9,000. The Energy Chamber  
stated that the closure of Petrotrin could translate to approximately 760 temporary  
and 735 permanent job losses from their members. So that is about 1,500 jobs to  
be lost just from their members alone. Okay?

Now, I have visited homes of workers, Mr. Vice-President, and the story is  
grave. I spoke to someone who did not go for his letter. He is a returnee from the  
United States and he has been a casual employee with Trinmar for six years. And  
what he said is that there is a friend of his who went for his letter and he has been  
working for over 10 years at a salary of about \$20,000 a month when he gets work,

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because he is casual also. And you know what was his take-home?—TT \$30,000. This is a man with family, with children at the university—\$30,000. Most people have bills to pay. If he even just goes to Courts, they will probably take all of that. You understand?

Mr. Vice-President—

**Sen. Ramdeen:** Heartless Government.

**Sen. T. Obika:**—if you go and speak to those persons and tears do not come to your eyes at that time, it will come after you leave, because tears will come. The latest falsehood I want to correct is this thing about \$50,000 to each worker. Now, when you are peddling untruths, there is a saying that you can cover a lie as long as you want, the light will shine on it. What they basically are giving is a tax break, so if you get—before it was \$300,000, now it is \$500,000 and you have 25 per cent off. That is \$50,000 for the extra \$200,000. So that is the tax break you are getting. Right?

There is someone I know who has been working for 20 years. Three years was casual. So he is 17 years permanent, full-time. You know what his take-home is, Mr. Vice-President?—\$430,000. That is less than two years' pay, and this man has five children, all of them in secondary school; bills to pay; mortgage.

**Hon. Senator:** Car loan.

**Sen. T. Obika:** Mr. Vice-President, the level of wickedness that is envisaged in this legislation—this man has worked 17 years—20 years but 17 permanent, full-time—he is not even getting the \$500,000. So who are the persons who are getting this \$500,000-plus?

But, anyway, detriment number two. So, one was job losses. Number two,

it is bad for the economy. And the Energy Chamber, in pointing out that 400 companies will be affected, they said:

“The Petrotrin Pointe-a-Pierre refinery has been a major customer for many of the service companies...”

And they say that:

“59% of these companies have provided goods and/or services to...”—

Petrotrin and some of them, their only client is Petrotrin. So, in effect, they are a ward of Petrotrin. So closure of the refinery basically means they are out of business and everyone is on the breadline.

**Sen. Ramdeen:** In the Energy Chamber you saw it?

**Sen. T. Obika:** And this is the Energy Chamber. And this article is publicly available. In fact, when you go on their website this is the first article you see.

The other point I wanted to bring is the pension plan is rumoured to be a closed plan. Now, there are many issues but once one reads the letter—once you read that letter from Republic Bank, unless they come and correct the record and say it is not their letter—you get the impression that if the bank, in their wisdom—this is the largest bank in Trinidad and Tobago. This is the largest domestic commercial bank in Caricom. I must give my bias. I was a former employee at the bank. However, what I am saying is fact. It does not change the record. All right? That these are facts that I am saying.

So if the largest bank in our economy and in Caricom, domestically owned, is saying that they have a problem with this pension fund, based on their advisors, based on their knowledge, that there is a significant problem, I think the Government must recognize that there is a problem and they must come clean to

the pensioners, the over-6,000 pensioners, who depend on that for their livelihood. So in addition to the 9,000 people on the breadline, Mr. Vice-President, you have to add 6,000 pensioners. And do you know what it is to be a Petrotrin pensioner in Point Fortin, in Moruga, in Rio Claro, in Marabella? That means you have “plenty mout tuh feed”. You yourself from your pension money might be footing the bill of grandchildren, Mr. Vice-President, or even children.

So this Government has to “fess up”. [*Interruption*] And of course, I am being reminded of the medical services in Point Fortin, for 20,000 persons. In Point Fortin, Mr. Vice-President, if you are sick and you go to the hospital, it is better to go to the Trinmar Health Centre in Point Fortin than the hospital in Point Fortin. The hospital in Point Fortin is staffed with hard-working staff but they are under-staffed. If you go to the health centre in Trinmar, you are okay. But then, what is happening now? Petrotrin has closed. So which health centre? That has gone out the window.

So detriment number three, energy security is compromised. So under Part IV of this Bill, all assets of Petrotrin relative to the refinery operations are transferred to and vested in Guaracara Refining, relative to the particular Schedule. So the closure of the refinery, that has translated to and has resulted in energy insecurity and it has compromised our energy sovereignty. But what does that mean? The International Energy Agency defines energy security as an uninterrupted availability of energy sources at an affordable price. The hon. Minister of Energy and Energy Industries has come to the Parliament today to explain that they got a particular price for crude exported—okay?—which is comparable to the benchmark crude we used in our budget allocations. However,



what the hon. Minister has not clarified as yet—and he is yet to contribute to this debate if he decides to—is what would be the bill for super, diesel, kerosene, regular gas, petroleum jelly, bitumen? I can go on and on, but this is not a class in fractional distillation and I am only qualified in chemistry up to CXC level.

So the reality is, Mr. Vice-President, that energy security in Trinidad and Tobago was always assured because of the history we have had, over 100 years, in oil refining, in oil exploration and thereafter in refining. But there are several questions that arise when one considers energy security and the approach taken in this Bill. The first is, what is the mandate of the new man in charge of Heritage Petroleum as pertains taking over the reins of our national heritage? What is his mandate, given that he was appointed prior to the company even being incorporated? How will this new set-up impact on contributions to the Heritage and Stabilisation Fund?

The Minister of Finance must answer how, because this same Petrotrin that we are beating today has been the one responsible for our national savings in the most part, and I will say why I say that. We claim that we are a gas-based economy, but before gas there was oil. We could not have reached gas if we did not have oil. You know what it is like, Mr. Vice-President? It is like the families of old. The first one, they will tell him, “You will go and be a labourer because we doh have enough money to send you to school.” Right? The last one or the one in the middle, he is doing all right. You could get him to go to college, university, and so on. “You will pave the way. You will earn and you will help establish the family.” And when the child comes out from the university, he now looks down on the one who has been responsible for the ground that he stands on.

So what we are doing in this country by this Government's action is chastising the very institution that has been responsible for the development of this national savings and the entire roll-out of our industrialization platform in Trinidad and Tobago. If that is not incompetence, it is wickedness.

The third issue is national crown jewels managed by foreigners, being strategic assets, impacts upon our propriety knowledge—a key ingredient in T&T energy experts being seen as global authorities. There is a reason why the Association of Caribbean Energy Specialists can boast that among their members they have advisors to ministers of energy across the Continent of Africa, across the Caribbean space and even, I dare say, to some institutes in Europe.

So, Mr. Vice-President, are we saying now that we are going to abdicate, we are going to give up on being an authority on oil and gas globally? Are we saying that there is no more Trinidad and Tobago model for exploitation of our natural gas and our oil and gas? So how is this new set-up on what has been globally accepted that the Trinidad and Tobago—

**Mr. Vice-President:** Hon. Senators, it is now 4.30 and time for tea. Sen. Obika, you have spoken for 26 minutes. When we return you have 14 minutes remaining. This House now stands suspended for tea until 5.00 p.m.

**4.30 p.m.:** *Sitting suspended.*

**5.00 p.m.:** *Sitting resumed.*

**Mr. Vice-President:** Sen. Obika, you have 14 minutes remaining.

**Sen. T. Obika:** Thank you. Thank you, Mr. Vice-President. So in effect, as I continue on this Petrotrin Vesting Bill, we ask the question: How does this new setup impact on the Trinidad and Tobago model? This final question could be

telling if national suspicion becomes a reality and that the reins of the refinery falls eventually into the hands of foreigners. Whilst we know of a company incorporated by or through the benevolence of Mr. Espinet, if I could use that word, we do not know what exactly would be the particular and peculiar circumstances under which our crude will be refined in Pointe-a-Pierre. So the question still stands, okay? How does this new setup impact on what is accepted globally as the Trinidad and Tobago energy model; and how does the arithmetic add up regarding obtaining foreign exchange in the meantime and eventually to sustain not only our energy model but our national economy? I ask the question again. So there are some questions on energy security.

The Government is on record as saying the first cargo of Trinidad and Tobago crude was successfully exported on the 1<sup>st</sup> of November, 2018, and the price was alluded to, not specifically in this House today. But these utterances beg questions. Was that land based crude? Marine crude? From which particular wells?—

**Sen. Khan:** I never said Molo, M-O-L-O. Trinidad and Tobago Petrotrin's land and west—*[Interruption]*

**Sen. T. Obika:** I am hearing the hon. Minister. I am sure he would detail that in his contribution. Now, how was the payment secured? This is important because, of course, when one deals in Forex, we understand and we must appreciate that a lot of foreign exchange transactions may not necessarily find its way directly into our banking sector in Trinidad and Tobago. So it is a question that has merit. How was the payment secured? What was the volume of crude exported? The Minister has mentioned 5,000 barrels by three. I understand the hon. Minister in the

Ministry of Finance spoke of West Texas International. I am not sure what benchmark crude that is, but I am familiar with West Texas Intermediate. So I just want to correct the record where that is concerned.

Now, detriment No. 4: taxpayers will bear the liabilities of Petrotrin. The majority of the liabilities of Petrotrin, as I stated at the beginning of my contribution, will be borne by the taxpayers, and that really is as a direct result of PNM corruption, incompetence, mismanagement of our resources under a Cabinet that some of the members in today's Cabinet were part of. So the liabilities are not being transferred. This is a disturbing development, Mr. Vice-President. So as— Sen. Vieira mentioned, that Petrotrin basically would be a shell company, and as it is a shell company and no mention was made of any fees to be ascribed to Petrotrin, no mention was made of any management arrangements where Petrotrin in its eventual form would generate revenues, one has to assume that that would simply be a company on the books, a company in name but not in reality.

So, the taxpayers will be left to find money to pay in excess of what is US \$250 million today and US \$850 million. Two bonds; one bond which is being serviced and the other which only the interest was being paid because of the incompetence in at least fixing a proper rate, 9½ per cent, when we could have gotten better. So when you follow this line of investigation to its final conclusion, you observe the major debts being left in the shell company, Petrotrin, and permit me to read from the Minister of Finance from the debate in the House if I can so do. It is a very short part.

“Section 4...also allowed for certain other rights...”

This is the Petrotrin Vesting Act:

“Section 4 of that Act also allowed for certain other rights, obligations and liabilities of Trintoc and Trintopec to be transferred to Petrotrin. These included an approved fund, plan or scheme under the Income Tax Act; all financial accounts; all power of attorney instruments;”—all—“negotiable instrument or order of payment of money; any security held for the payment or discharge of debt”—or anything that has been incumbents—“liability or obligation; any judgment or award obtained by or against Trintoc or Trintopec; and all contracts of employment.”

So basically, in the words of Wilfred Espinet, “All with respect to the liabilities of Petrotrin”.

To compound the faults—so the Minister of Finance is on record saying the process is identical, where he said:

“...what was done in the early 1990s when the assets of Trintoc and Trintopec were vested in the newly created Petrotrin. It is identical.”

So I want to state for the public record that that is totally false and, if it were we would not as taxpayers be straddled with the US \$850 million bond and the residual balance which is US \$250 million, we understand, on the other bond which matures in 2022—which cycles out, sorry, in 2022. So I am saying the process is not identical and it will be to the harm and the detriment of our national savings as a country and our debt profile because these things would increase our debt to GDP.

So I want to also comment on the recent increase in Petrotrin’s debt profile, and the Minister of Finance is on record, publically, lamenting that Petrotrin has incurred debt backed by the State with regard to this particular Bill in question as

recent as a month ago, and this is the argument being advanced. This is the argument to make a case for vesting these lands, our national patrimony, into these companies.

So this is a weak point, Mr. Vice-President, because the Government, had it not close down Petrotrin, there clearly would have been opportunities for Petrotrin to sustain its obligations. Whilst based on the arrangements they may be required to obtain Minister of Finance oversight in terms of Government guarantees because the debts incurred by Petrotrin would be explicitly backed by Government, which impacts now debt to GDP, in effect Petrotrin on its own would have been able to foot the bills. So what I am saying is that Minister of Finance, instead of saying that it is Petrotrin who could not pay, you have closed down the company. If you have closed the company they will stop refining crude, they will stop exporting fuel products, they will stop producing. How can you reasonably expect them to pay any bills? So the Minister of Finance, through his incompetence, and the Government's incompetence, have resulted in what he has recorded as an increase in our debt to GDP by 1 per cent.

So, Mr. Vice-President, detriment No. 5. There are uncertain exit costs for Petrotrin which has become a charge on the State. Now, Sen. Ramdeen outlined in detail the millions, the tens of millions, the hundreds of millions, simply for advisory services in many cases, and in one case, just a signature regarding this whole Petrotrin fiasco. This is bigger than AV Drilling. So there are uncertain exit costs—[*Interruption*]

**Mr. Vice-President:** Senator, you have five minutes.

**Sen. T. Obika:** Thank you very much—which even the Central Bank of Trinidad

and Tobago, in its November Monetary Policy Report 2018, has flagged as significant risk factors. And to compound this level of secrecy, this Government has not given the true cost of start-up of the new entities.

So Central Bank is saying that the Government must manage two things. One, the transition costs moving from Petrotrin to these new companies and they have flagged that as a significant risk factor going forward in this economy. They have also said, greater than that in terms of risk, is that the Government must get to work on a capital expenditure programme regarding the upstream energy sector fast, otherwise it would significantly negatively impact on our revenue stream. So what this Government has done is taking an economy where the price of oil is buoyant at about US \$70 a barrel—which is excellent in this era—where they should have been generating significant inflows, and now they have turned this situation into a company that is all but dead, the workers are near death wondering where their next meal will come from come December 25<sup>th</sup> and after, and a country that is in crisis.

So, Mr. Vice-President, I want to ask some questions regarding the consortium: Credit Suisse, Bladex, FCB, Morgan Stanley, ANSA Merchant Bank, and so on; to refinance or reschedule, which ever proper term would arise based on the way they treat the transaction—the two bonds—whether it would be to reschedule or to refinance the first tranche of exit costs, what is the rate of interest? What will be the rate of interest that the taxpayers of Trinidad and Tobago will be made to bear? Clearly it cannot be 9½ per cent. What is the term of the restructured facility? What penalties may arise should the State, or Petrotrin in this case, fail to honour obligations? And how does this impact on our national debt to

GDP?

Now, Mr. Vice-President, I want to take the last few minutes of my time to remind person from whence we came. I want to remind them that this country, Trinidad and Tobago, belongs to us, the people. And in the words of the leader of an organization that I was born into, “This land is ours”. That man is Makandal Daaga. So the land that PSAEL and the Ministry officials, directed by Government, have so callously sought to claim as theirs, breaking down the homes of persons who have been there for generations, those lands do not belong to them. They belong to the people of Trinidad and Tobago. [*Desk thumping*] And I want to say this, how wicked can it be, the person, Mr. Akeem, whose house was destroyed, he himself is an employee of Petrotrin at Trinmar. So, is it that you are saying that you are going to be preparing lands for the persons in Trinmar as another rumour that has surfaced? There are persons hearing so many rumours—that is another rumour—that the lands are going to be farmed out, similar to, in the case of Caroni, to the ex-workers of Petrotrin. So if that was the case, could you not stay the execution of that and allow Mr. Akeem, and his family, and his children, to remain in their houses? That is the most wicked act. And you put workers, Mr. Vice-President, to go and break down the house of a worker. I mean there can be no other level of wickedness.

So I want to remind the population of the six areas of detriment. The first, job losses; the second detriment, the economy will be in tatters as we have seen from the energy Chambers pronouncement of 400 companies. This not parlours around the corner you know, Mr. Vice-President; the third detriment is energy insecurity; the fourth is that the major liabilities of Petrotrin will be borne by us,



the taxpaying citizens, while Wiley gets away scot-free with our crowned jewels; the fifth detriment is that they are uncertain exit course which Sen. Ramdeen has shown to be in the millions; and the sixth is that this entire process outlined in this Bill would be negative to our national spirit as Trinidad and Tobago citizens.

I want to say this last point. I want to call out the Association of Caribbean Energy Specialists, they must make a statement. They must come out and condemn this action [*Desk thumping*] to bring the foreigners illegally to run our national crown jewel, and they must call out this Government, and this wicked and corrupt practice and end this charade today. We cannot support this Bill. Thank you. [*Desk thumping*]

**Sen. Paul Richards:** Thank you, Mr. Vice-President, for recognizing me and for the opportunity to make a short contribution to this Miscellaneous Provisions (Heritage Petroleum Paria Fuel Trading and Guaracara Refining Vesting) Bill, 2018. If by your leave, if you would just allow me a couple minutes to ruminate on giving thanks. I have gotten quite a bit of picong since the afternoon began, and I just want to say—I could not write this script—I give God thanks and praise for the blessing and the opportunity to continue to serve in this august House. I do not take it for granted for one minute. It is an honour. I also would like to also thank Her Excellency for allowing me to continue serving on this honour Bench.

And with that said, it would be remiss of me not to thank for their service and sacrifice, my immediate past colleagues including Senators Raffoul, Creese, Shrikissoon, Ramkissoon, Roach, Small and Mahabir, and I think they all deserve our commendations for their [*Desk thumping*] service to country and their sacrifice, because anyone who sits in here, or has the opportunity to serve here,

knows it is not an easy task and it is a lot of sacrifice. I want to also take the opportunity to welcome the new colleagues including Sen. Dr. Dillon-Remy, Sen. Thompson-Ahye, Sen. Teemal, Sen. Seepersad, Sen. Deonarine, Sen. Deyalsingh, welcome back Sen. Vieira and, of course, continue with my colleague Sen. Chote. So welcome and we wish you all the best for great contributions to come though.  
*[Desk thumping]*

Mr. Vice-President, through you, you know a very short intervention on this Bill and the intervention is not necessary in the form of statements or revelations like Sen. Ramdeen, but it is more in the arena of questions for hon. Minister West and Minister Khan who I think is coming up in short term. And just for a layperson looking on, one of the issues that many have in such a significant endeavour—and I believe it is any administration's right to do what the population elected them to do and do what they think is in the interest of the people of Trinidad and Tobago. That is why people are elected. That is why people elect a government to lead, to govern, and to make decisions on their behalf. I think where the questions come in is when there is a lack of information, and I know this is an evolving process and the information is coming to hand as negotiations are ongoing and things are happening, but it does not help the scenario. As a matter of fact, it opens the door for misinformation, one, and we are in the environment with that, and also information that sometimes is presented with shock value that can be exploited in nefarious ways.

So, I think it is in the best interest for us, as a country, and us as a Parliament, to keep in mind that information, particularly where it comes to complex issues like this—because this Petrotrin issue is a very complex issue. I

am not an energy expert and neither are most of the people in Trinidad and Tobago, and very often the information that comes out is inconsistent and it is not strategically planned so that the population has a sense of ease. People will disagree. People will disagree from time to time, but I think more information and more consistent information would go a long way in easing people's uncertainty and anxiety about significant moves; and this is a significant move. Through you, Mr. Vice-President, as I said my intervention is really based on question: What have we learnt from Petrotrin past? What have we learnt that we can apply to these new companies? Because as Winston Churchill said, any country that does not understand where it has come from or its past is doomed to repeat the problems of the future, the challenges of the future.

A lot has been said about Petrotrin and where we are today, a lot of it very credible information, but what have we learnt from Petrotrin? We can go back and forth as to who is to blame, and whose administration made what decision. The point is that we are here, and given a cursory look at the information, even if you are not trained, we will know that Petrotrin posed a significant threat to the economy of Trinidad and Tobago. But what have learnt that we can apply moving forward? Petrotrin was once the jewel of our economy and now it has become akin to a financial loss that needs to cut and disaggregated. So other questions—and I know Sen. Ramdeen indicated some of his revolutions with costs—what are the total shutdown costs inclusive of packages disaggregated from debt, revenue lost in transition and inclusive of start-up cost for these four new companies? When the public hears this in the context of the bullet payments that are owed, the 12 billion debt, they can make a more rationale judgment as to whether this was a productive

decision in the interest of the country's protection moving forward, and mitigating, and minimizing the exposure that we faced given what has been articulated about Petrotrin past moving forward.

Regardless of who is to blame and what decisions—and I am not saying those things are not important because they are important, because governance structures are also in question here as to what happened and why it happened. So what are the start-up costs of the four new companies projected and budgeted? What are the timelines for full start-up, attainment of half and full capacity? I know based on the budget presentation recently debated in the other place and in this august House, there is a projection and I quote over the period 2019—2021:

Production of crude is expected to rise to 77,500 barrels of oil per day contributing significantly to the increased economic activity. In addition, exploitation and production activities and by BHP Billiton's Ruby Delaware project could push your annual combined production of oil to 100,000 barrels per day.

Great projections, but what are we putting in place to ensure that because projections are great. As we have seen through the history of Trinidad and Tobago, we are not good at executing or maintaining efficiency in Trinidad and Tobago.

So what have we learnt about governance structures, board of directors of Petrotrin past, present executive and staff cost that we can apply to the new companies moving forward? Because now if we were exposed, and we have been exposed, by one company, imagine if that kind of mismanagement, bad governance is multiplied by four. We are exposed to four times the amount if the

governance structures are not in place to make sure that we do not repeat the mistakes of the past. And are these four companies now and their outputs and their timelines for delivery of half and full capacity now going to impact the budgetary projections from the energy sector although we are a gas-based economy? What is the impact of these and the transition period to start-up these entities and their projected output? What is the impact of what has been articulated recently in the budget?

And I said before—and to me this is very important, through you, Mr. Vice-President—what governance structures are we employing to avoid the types of negligent and mismanagement? Because when you hear of—and I do not know if this is the plan going forward. We have heard in the past of the exposure that interlocking directorships have cost this country in the private and public sector. So when you hear one and two people are on the boards of all the companies it raises red flags because this country has been exposed by that sort of government arrangements in the past. It may not be a permanent situation, but certainly there is no information coming out that is not going to be, and now we have, in addition to four boards, costs for four executives—four sets of executives I should say. How is this factored into the viability and profitability moving forward? Because I will always say it is great to make plans for now, but we have to put systems in place for transparency, accountability, monitoring, for anyone who may come to power in Trinidad and Tobago, and if we leave these loose arrangements moving forward—we did a similar exercise with BWIA many years ago, and from the information coming from the hon. Sen. West, we are only now starting to see the light of day with CAL almost 10 years later.

So the projections for the change from BWIA to CAL continued loss producing entity for a decade, and that was not the projections then. Who is to say that this is going to materialize? I am not saying it is not, but the information is lacking that we have to ask ourselves what is in place to make sure there is efficiency and accountability, and timelines are kept, and benchmarks are kept. What legislative and other systems are we putting in place for continuity?—because one of the major significant problems facing Trinidad and Tobago is continuity of policy, past different administrations and different political cycles. So one administration starts this and the other administration was opposed to it while in Opposition, and the political cycle or governance changes and we go back to square one and start something else.

What are we putting in place for continuity? There are several models we could employ from around the world, Panama, Germany, and the way their legislative structures have been changed and enacted to ensure that there is continuity when significant—because this is no small feat that we are trying to accomplish here. This is one of the most significant parts of our economy, more so than CAL. So we have to put systems in place to deal with that.

And finally, because I did say it was going to be a very short intervention, what I think is—I am surprised that it is not an opportunity that was exploited in this realm because of the articulation to the budget in terms of renewable energy. So we have Heritage Petroleum for Production and Exploitation, Paria Fuel Trading and Guaracara Refining Vesting, and to me this was an golden opportunity to chart the course for creating a company to deal effectively and assiduously with renewable and green energies because this is an energy company and I think it is a

missed opportunity, because if you are going to create new companies with specific purposes, we could have done that here because it would have shown a kind of innovation and vision that the rest of the world is following through.

When you look at and I quote OECD 2016 “Better Policies for Sustainable Development: A new framework for policy coherence” you see that the world’s economy is changing drastically over the coming years and by 2050 global economic output is projected to nearly quadruple and a large part of that, this article, is the world economy could be using up to 80 per cent energy produced by predominately fossil fuels and greenhouse gas emissions as a by-product. But the countries to that thinking are forward thinking, are already putting systems in place to, one, come off of fossil fuels and wean themselves of, which I know Sen. Khan it is not going to happening overnight. But certainly a parallel system could be in place for a development of a really fervent green economy and innovation. We are an island. We have sea, we have wind, we have sunlight, but we really have not made significant strides in terms of exploiting renewable energy and dealing with the innovation that comes with that.

In closing, Mr. Vice-President, you know one of the articles I saw and I want to quote is an article that focused on Ghana and the top 10 global factors for projects and sector failure of 2015, by Isaac Damoah, Akwei and Muzungu, and there are 10 basic areas for project failure of this magnitude in any jurisdiction. And they are: leadership and poor planning; poor execution; a lack of proper monitoring mechanisms to ensure that timelines and output targets are being met; poor governance structures which I referenced earlier on, and weak oversight mechanisms; corruption, which we all knew too well about in Trinidad and

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Tobago; bureaucracy, political interference; change in Government; a lack of continuity and policy direction; fluctuating global prices for goods and services; delays in payments and government bureaucracy in payments of funds. So I think out of these 10, we could check about six or seven.

So I say that to say we have been down this road before in various sectors, but this one is extremely important to Trinidad and Tobago, and as Sen. Vieira indicated earlier on, philosophically I am not against it. The Government had to make a decision, a critical decision, based on what faced the country in terms of Petrotrin's—how it exposed the economy. What would provide more comfort to me is closing the gaps in some of these issues that I outlined today, and with those few words, Mr. Vice-President, I thank you. [*Desk thumping*]

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Thank you very much, Mr. Vice-President. Mr. Vice-President, it is an honour to join this debate on—I will just read the short title—this Bill may be cited as a Miscellaneous Provisions (Heritage Petroleum, Paria Fuel Trading and Guaracara Refining Vesting) Bill, 2018.

Mr. Vice-President, if I could crave your indulgence to ask Sen. Paul Richards for his extra time to add to mine because I have—[*Interruption*]

**Sen. Richards:** There is a Standing Order for that.

**Sen. The Hon. F. Khan:**—a lot to say if I have the time to say it. Before I begin let me just congratulate the new Independent Senators for joining this august House [*Desk thumping*] as Leader of the Government Business in the House and on behalf of this side of the Bench.

And to say that—probably after service to God, service to country is paramount



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and we appreciate it as a Government, and I assume the Opposition does appreciate it also, for people who take time to come out here and serve the country. It is not a job with a lot of gratitude but the gratitude comes from within.

**5.30 p.m.**

Mr. Vice-President, I just want to clear up a couple of things before I really get into the Bill. We have said over and over again we are not shutting down Petrotrin. We shut down Caroni Limited and throughout the entire Lower House “they talking about Caroni, Caroni”. We were getting out of the sugar industry because nobody in the Caribbean, after Lomé, could survive in sugar. Guyana to some extent because it is wide land spaces; Barbados has a residual sugar industry, but beyond that, it is nothing because fundamental changes in the international market made your industry obsolete. It happened with the robber barons and you just have to acclimatize yourself to a change in the global environment. The biggest companies in the world today do not own assets. What does Amazon own? What does Google own? What does Microsoft own? What does Apple own? But they have the bulk of the wealth in the world. We are transforming the oil industry in particular.

Sen. Obika was saying Trinidad model. Trinidad model is not for oil. The Trinidad model is a gas model which the world has come to recognize. We had the GECF meeting here last week. We came into high commendation. [*Desk thumping*] The whole of Africa from Ghana to Nigeria to Mozambique to Tanzania to Equatorial Guinea were in high praises that they are adapting their model to Trinidad gas, and our gas is based on incentivized upstream, a midstream sector and a downstream sector that includes petrochemicals and liquefied natural

gas. Where we have lost the plot is with oil because we were trapped in a cocoon of the past. We boast that we are in this oil business for 110 years. We have been in it for 110 years but it has evolved.

Look I have a chart here—with your permission, Mr. Vice-President, I can just show it—that shows the evolution of Petrotrin. It is like the evolution of Homo sapiens you know, they come through all sorts of lineages. Starting with a company called UBOT; TLL, Trinidad Leaseholds; APEX, Fyzabad; KTO; they evolved into bp, Texaco and Shell. That was the era of bp, Texaco and Shell. They were the oil giants operating here. They left and went to the Middle East. Then we had the whole nationalization process starting with—the first national oil company was NP you know, not Trintoc. After the big strike of 1971 when George Weekes locked down the country and the army had to come and distribute gas. I see my goodly Sen. Seepersad shaking her head. I was in Form 1 at the time. *[Laughter]* So I guess I do not want to say my age. *[Laughter]* That was the marketing arm.

Then 1974, the acquisition of Shell to form Trintoc when Dr. Williams proudly raised the Trinidad and Tobago flag in Point Fortin. Then we had the acquisition of Texaco, the acquisition of Trinidad Tesoro. All that evolving time to form Petrotrin. But there was a fundamental problem that we closed our eye at, we slighted, we looked the other way and it was something called the Pointe-a-Pierre refinery, because, it employed people and it got so ingrained in the society and the community and in the Trinidadian psyche, we could not believe that we could live without it. Those were the days of the mega Caribbean refinery that was refining for the fuel oil market. That is the bottom of the barrel: fuel oil for power

generation and fuel oil for ships.

For those of you who could remember again, there were massive refineries in Aruba, in Curacao, in St. Croix and in Trinidad. The very refinery in Pointe-a-Pierre here we are complaining about, 150,000 barrels a day throughput, in the heyday of Texaco, its throughput was 350,000 barrels of imported crude to service the eastern seaboard of the United States of America with fuel oil largely. When the fuel oil market became sour, what did Texaco do? They left. Again, the State entered, just as we entered with Tate & Lyle, bought Caroni (1975) Limited, we bought the Texaco refinery. And at that point in time, there was probably some hope. We knew—and this is the crux of matter and I make no apologies for it. We knew the survival of this industry depended on an upgrade of the refinery. Successive administrations invested heavily into that.

The gas optimization plant, you got all the figures already. The GTL plant, the ultra-low sulphur diesel, those were attempts to upgrade the refinery to bring out a slate of products that had more value. Sen. Richards hit the nail on the head. You look at Africa: project execution, project planning, project supervision, project oversight; a lack of project management and supervision. Trinidadians, not foreigners you know, Trinidadians who were given the responsibility for doing that. It was not PNM, it was not UNC, we did it as a country and we failed. It is something to be ashamed about. I am ashamed of it. I was an operator, given the industry. But having said that, we cannot now come and lay blame. We have to take a deep breath, swallow our spit so to speak, and decide to chart the right course.

Petrotrin started with that model. But the world is awash with state oil

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companies. There are a lot of examples you can draw. There are those that are ahead of the class. There are those that are first in class—call it how you want. Saudi Aramco, biggest company in the world. Bin Salman talking about an IPO for trillions of dollars you know. QP Qatar Petroleum, massive. I was in Qatar a couple of months ago. It is unbelievable the power and size of that company. My favourite, Statoil; the Norwegians never seem to do anything wrong. We come back right home here. Petrobras transformed himself into an international organization, granted there were some challenges in the recent past with corruption and what have you but by and large, they are still a well-run company. PMEX, Mexico. PDVSA, obviously you know the story there, I would say no more.

And a company I just want to refer to for two minutes, Ecopetrol which is the Colombian state oil company. That company, through you, Mr. Vice-President, has transformed itself into a world-class company and the way they did it, they detached the company from the state and took a strictly private sector approach to running it. They went out on an international recruiting drive and they said they want the best, no matter how much they pay, what nationality you are and today, Ecopetrol is one of the shining lights in Latin America. Ecopetrol has done so well in the entire Colombian economy. “People looking at Colombia easy dey like that”, Colombia has transformed itself in the last decade. There was a time Medellin and Cali Cartel controlled Colombia. Today, Colombia is the prime destination for tourists in Latin America. So countries who have the will to do it, can do it and under this administration, we think we have the will.

But the refinery continued to haemorrhage money and the losses were clouded by profits that were made in exploration and production. So what was

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published to the national community was the consolidated accounts of Petrotrin. So everybody “bumping dey gum and talking up and down the road saying Petrotrin was making money”. The refinery was losing X, E&P was making Y and the overall profit was Y minus X. In 2012, Mr. Vice-President, E&P lost \$772 million; in 2013, it lost \$2.8 billion; in 2014, it lost \$2.63 billion; in 2015, it lost \$2.72 billion; in 2016, it lost \$1.3 billion; in 2017, \$1.6 billion. Billion “yuh know”, not million. An overall loss of TT \$11.5 billion from 2012 to 2017 in five years. That, with the cost overruns of the World GTL and the gas optimization plant, with the debt that is approximately almost \$12 billion; it reached a point of no return. It has nothing to do with “who wicked” and “who uncaring”. That is the reality we faced as a Government. What do you do? “Put yuh hands in de air and tell the IMF come and take it over?” Or, at least craft a plan that shows some salvation for the future?

“So what we did”? We said this thing needs to be fundamentally restructured. We formed a holding company and we have four subsidiaries. Petrotrin to handle residual liabilities. That is corporate governance. And you formed three new entities. The most important of these will be the Heritage Petroleum Company which will be handling a profitable and potentially profitable exploration and production. Paria Fuel Trading, buy fuel, bunker fuel, continue to service your Caricom market and make a profit. Because, again, industries change. There was a time when the vertically integrated oil company was the thing. ExxonMobil, Shell, bp, from the well to the pump. In fact, they went so far that they said the pump was not enough—the credit card to service the pump. So Shell had a credit card because they realized that there was value there too. So it is not

only carrying you to the pump, you pay with your Shell credit card. So if “yuh cyah make the payment, yuh pay Shell interest”. That is the way these companies think.

What is emerging on the market now is trading because there is value to get in trading, just as how there is value to get at the credit card. So the people who buy and sell crude, LNG, gas and petroleum products make a significant amount of money from the trading of these commodities as they use arbitrage rates to get into various markets; buy it cheap here, sell expensive there, get a deal on the spot market. Sometimes they pay more, sometimes they pay less. Play the Futures Market and they take a chance on Futures and say the price will go up but they already lock in a price for next year. If price goes down, “they loss”; if price goes up, they make a windfall. That is the nature of the industry.

I just want to explain one thing further. The fundamental difference between refining and marketing, and exploration and production, is the business model. I explained this to the country several months ago but I will take the opportunity to explain it again. Exploration and production is a business based on profit, based on your operating cost and the price of crude. So if as a company, it is costing you \$35 to produce a barrel of oil into the tank and oil is selling for \$50, you make \$15 on a barrel. Simple arithmetic, some complexities in between but that is gist of it. If oil drops to \$35 a barrel, you break even. But what happens if oil goes to \$100? You make a windfall profit. That is why there is something in law in Trinidad called supplemental petroleum tax. “Is ah windfall profit tax” that says that that windfall profit is not because of you per se but because of market condition and the State is entitled to a part of that money. But in any event, if the price of oil stays

high you make super profits. What you do with that profit is have it in sinking funds. There will be a time in the market cycle that the oil price will be lower than your operating cost and that is the time you use your cash reserves to ride you through that period.

The refinery business, on the other hand, is what you call a margin's business and the margin is the price between your raw material crude and the price of your refined products. So if it is costing you \$50 to purchase crude, for every barrel of crude you refine and you get \$60 for the products, your gross margin is \$10. Now, that gross margin is virtually independent of price because if oil price goes up to \$100, product prices goes up commensurately with a little lag. So the refining business is not particularly sensitive to crude prices. It is sensitive to your margin and your margin is based on the operating efficiency of your refinery. And there is something called your net market which is actually your profit which is your gross margin minus your operating cost, and that is where we failed.

So our net margin for the last seven years has been between negative US \$2 to negative US \$5 per barrel. So what that means? For the 150,000 barrels we find every day, we lose between US \$2 to US \$5 dollars on every barrel. You cannot come out of that. That is a death trap for life and that is the reason we pulled out the refinery assets into a company for international tender, for international attraction. Somebody will come and could come with a new business model, a new market, a new source of supply for crude, run the refinery. The State will have some financial arrangement for them for the assets. Either they buy it, they lease it or we work out some profit-sharing mechanism for there.

So on the E&P side, we know what we are doing. Terminalling and trading,

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we do not have as much experience in it but we would recruit good people and play the market. And, on the refining side, we sublet it to an international person or company of interest. And that is what we are doing you know. With all the talk here and talk there and talk everywhere and the all the accusations and sinister plots, motives and what have you. I do not know from whence it came and where it is going but that is the long and short of the story. How much time do I have again?

**Mr. Vice-President:** You finish at 6.09 p.m.

**Sen. The Hon. F. Khan:** 6.09, Good. So let me deal with this time with the actual vesting Bill and the assets of Petrotrin. I will repeat some of what the Minister of Finance said to a point. That the vesting of the assets would be as follows: all the assets held by Petrotrin relative to exploration and production operations are to be transferred to the new exploration and production company Heritage. Straightforward. The Palo Seco Agricultural Enterprises' land that I will use for exploration and production purposes will be transferred to Heritage Petroleum. All the assets of Petrotrin relative to terminalling operation will be transferred to Paria Fuel Trading. All the assets of Petrotrin relative to the refinery operations will be transferred to Guaracara Refining. Some residual assets that are still owned by Trintoc and Trintopec at Pointe-a-Pierre will be transferred to Guaracara.

And as the Minister in the Ministry of Finance explained, all the issued and outstanding shares in Heritage Petroleum, Paria Fuel and Guaracara and Petrotrin will be legally and beneficially owned by the holding company, Trinidad Petroleum Holding Company and then the shares of the Trinidad Petroleum



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Holding Company will be legally and beneficially owned by the Corporation Sole, the Minister of Finance. That is the Government's structure. But there are certain steps to continue. There is something called an Exploration and Production Licence which is issued by the Minister of Energy under this very Petroleum Act that Sen. Ramdeen is speaking about. The next phase in this process will be that the licences that are currently owned by Petrotrin would have to be assigned to Heritage and that assignment has to be approved and signed off by the Minister of Energy. I have already looked through it and obviously I will do it and as this Bill is passed in this House, within a couple of days' time, the licences will be assigned to Heritage. It is 20 exploration and production licence blocks, 23 lease operatorship agreements, eight farm-out agreements, three incremental production-sharing contract, five sub-licences for lease operators, sub-licences for three other incremental production sharing contracts and several other sub-licences.

And I just want to share some further information. Heritage and what used to be Petroleum has some other strategic interest you know apart from land and Trinmar that we speak about every day. Plenty times, I get up here and speak about the Teak, Poui and Samaan which is handled by Perenco now which was the old Amoco and bp fields. Petrotrin has 15 per cent equity in Teak, Poui and Samaan. Very few people in the country know that. On the NCMA block 1, block 9, which is an E&P licence off the north coast producing gas operated by Shell, Petrotrin has 19.5 per cent equity in that. In Trintomar, Petrotrin has 16 per cent equity in that. And in the SECC reverse L block, Petrotrin has 16 per cent equity. There is a shallow-water bid round that I launched last week where six new state blocs will be going out in the international market for bidding. It will be highly

competitive, and it is the intention of the state to assign 15 per cent carried interest to a local entity on those blocks and we are seriously contemplating whether those carried interests could be assigned to Heritage Petroleum.

And this thing about Petrotrin shutdown, this company will have more activity than Petrotrin. The southwest peninsula, the very place my good friend Sen. Obika claimed to be campaigning for, “he cyah win and he know he will lose” but it is his right to campaign. Santa Flora, Palo Seco, Fyzabad. The Prime Minister said and Sen. West said it too, the Minister in the Ministry of Finance, Petrotrin was the only oil company in the world that oil prices were going up and they were not drilling. It is the only company in the world that was not looking for more oil. It is the only company in the world with high oil prices, they were not looking for oil.

Sen. Obika mentioned the price of oil is high, we should be creeping in money. [*Crosstalk*] “Buoyant”; yes, that is the correct word. You cannot make money if you do not have production, and worse yet, Petrotrin still produces around 60 per cent of the national oil production, and if they are not paying the State taxes—they are owing the State \$3.4 billion in supplemental petroleum tax, petroleum profit tax and royalties. So here you are in a state of buoyant oil prices. Half of the revenue you should be getting should be coming from Petrotrin. It is non-existent. Thank God for bp, for Shell, for EOG, for the other companies that they continue to pay their taxes so they keep the Exchequer afloat in moving on.

So this new company now will focus on drilling, on workover, on seismic, on production operations and it will be employing more people. The very engineers and production people that the goodly Opposition Senators keep

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clamouring for—we have good people in Trinidad. I know it. I have seen them. I have seen them work all over the world. [*Crosstalk*] It is not a matter of firing, it is a matter of having an organization that is sustainable. Somebody has to pay your salary you know and the day they cannot cut the cheque when the month end reaches, you have to confront the reality and that is the long and short of this story. So before I wind up, how much more minutes?

**Mr. Vice-President:** You finish at 6.09.

**Sen. The Hon. F. Khan:** 6.09. Oh yes, “I going good still”. [*Crosstalk*] Let me now deal with my good friend, Sen. Ramdeen.

**Hon. Senator:** You sure you want to call him that?

**Sen. The Hon. F. Khan:** Well, it is just a figure of speech. The Petroleum Regulations, Chap. 62:01, section 42(f) does in fact say under a local content policy to:

“minimise the employment of foreign personnel, ensure that such employees are engaged only in positions for which the operator cannot, after reasonable advertisement, in at least one daily newspaper circulating in Trinidad...find available nationals of Trinidad and Tobago having the necessary qualifications and experience...”

That is a very subjective position and it can apply to all levels in the organization, from a pipe fitter to a production assistant to an engineer, a petroleum engineer, a production superintendent, a manager or a chief executive. And when you reach at the highest level of international oil business, you have to be careful because that is where it strategically matters. Even though we have this regulation in our statute we cannot tell bp, based on this regulation that you have to employ a Trinidadian

president. Okay? [*Crosstalk*] Because they run a global business.

When they apply for work permits, you know what they tell us, and with some justification? I have a cadre of Trinidadians working for bp assigned all over the world: in Azerbaijan, in Qatar, in Russia, in the UK, in Alaska.

**6.00 p.m.**

Because we are a global company and we are training our staff all over the world. So, by the same token, you have to be facilitative that we may have somebody from Azerbaijan who has to come and spend a two-year in Trinidad as part of their overall development. And when we reach, as I said, to the boardroom level into the highest executive position, there is something called—these companies are very sophisticated, you know. They see you very early in your career and say you have leadership potential and they have a programme to start to train you for junior, mid-range and senior and possibly chief executive position. They have a programme worked out for you. And there is something intangible that they understand, and it is called leadership; leadership in the organization. So John Brown from bp, a guy I call Bob Dudley now.

So, when you have leadership qualities, sometimes your CV cannot reflect it, you know. It has to be known within the organization and you have to have a very expert interview panel to pull it out of you. Because you are the person with the responsibility to take this organization forward. So while this exists in the statute, I think it was misquoted and misrepresented by the hon. Sen. Gerald Ramdeen.

And let me just go for the records. While TT \$240,000 per month in the global energy market is not particularly lucrative, eh. Trust me in that. It is a

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reality we have to face also. That is not particularly lucrative. It is competitive, but it is not lucrative. To lead an energy company, with a vision to take it forward to transform the local energy sector in Trinidad and Tobago, I think is a price well worth it. And we will continue to monitor his performance at the level of the board, at the level of the Cabinet Sub-Committee on Energy and we will monitor that situation very, very closely, on behalf of the citizens of Trinidad and Tobago.

The issue of the incorporation of the subsidiaries, Mr. Espinet and Mr. Ajodhasingh were appointed directors for the purposes of incorporation. There is a full board of 13 people in Petrotrin. They were selected for incorporation. What the Government is presently in the process of doing is reviewing the Petrotrin board, reviewing the requirements of the boards of the subsidiary. We will be bringing in new people to staff the boards of the subsidiary in particular. We may be using some of the Petrotrin directors on the boards of the subsidiary. And we will staff the holding company board with people who are of that governance and corporate model, to monitor the situation.

There are challenges because, to find good people, it is not that there are not good people in Trinidad, you know, but there are very serious constraints when serving on the board of directors of state companies. And I make no apologies to say the biggest one is, you know what, through you, Mr. Vice-President?—the Integrity Commission.

**Mr. Vice-President:** Minister, you have five minutes.

**Sen. The Hon. F. Khan:** There are people in this country who said, “I have worked all my life. I have built my career, and I have built my finances legitimately, and I am not going to subject myself to some of the things that the

Sen. The Hon. F. Khan (cont'd)

Integrity in Public Life Act requires of me.” That is an individual choice. It does not mean that if you do not want to subject yourself to that you are corrupt. It is just a personal choice, and you have to respect the person for that. It is as simple as that. And that puts the State under tremendous pressure to find some of the type of people who are willing to serve on boards.

The operations of Heritage, as I said, will bring tremendous employment and economic activity to San Fernando, Marabella and the south-west peninsula. We have, within reason, within the confines of the resources available to us—which in Petrotrin’s case are quite substantial to some extent—worked on a very, while probably not lucrative, but a very generous package termination benefits for the workers. Quite a few of them, I should say—I do not want to say a significant amount of them or half of them or three-quarter of them—would be re-employed through the Heritage and to some extent Paria, and a small amount in Guaracara. We will be focusing a lot—*[Electronic device goes off]*

**Mr. Vice-President:** Would the Member with the offending device step outside for five minutes and then return, please? Minister.

**Sen. The Hon. F. Khan:** The people who have crossed 50, that are required, who immediately get their pension and their lump sum, you know, we have to look at them through a different lens. My main concern, as Minister of Energy and Energy Industries, and with the overall responsibility for this exercise, is our young professionals. Because I know most of them are quite capable.

I make no apologies, as a UWI graduate myself, that UWI has one of the best undergraduate programmes in the world, especially in engineering, in geology, in chemical, in law, in what have you. And there are lot of young people, with

Sen. The Hon. F. Khan (cont'd)

young families, trying to build their career. But they also have to learn too that even the Japanese have now moved away from job for life.

“Long time, if you are Japanese engineer and you start off with Sony, yuh Sony until yuh dead because yuh fadda” worked with Sony or Nissan or with Toyota. Even in Japan, that is changing. So, changing jobs is not something to be particularly scared about. In a limited economy like Trinidad and Tobago, there could be a challenge. I personally have changed many jobs in my life. I was a risk taker and it worked out to be quite well in the end. I finally ended up in probably what is not the best job in the world. But I still enjoy it because I think it is public service. I love my county. I love my community where I grew up in Mayaro, and Sen. Ramdeen says “I doesn say” or make any contribution in this Parliament without mentioning Mayaro, but I make no apologies for that. It is the town that made me what I am and I cherish the relationships I have there with my school friends, with my family and with the people I grew up with.

So, Mr. Vice-President, I hope I have shared some light in what is a very complex matter. I attempted to simplify it for the audience of Trinidad and Tobago to understand the grave situation that we were in, the model we have used to extricate ourselves from this situation, and hope that this new corporate arrangement and the new structure for the oil sector in Trinidad and Tobago will bear tremendous fruit for the citizens of Trinidad and Tobago and we should have some happier times together in the oil sector. I thank you, Mr. Vice-President.  
*[Desk thumping]*

**Sen. Saddam Hosein:** Thank you very much, Mr. Vice-President, for allowing me the opportunity to join in this debate. Now, Mr. Vice-President, it gives me no

pleasure whatsoever to join in this debate because what this Parliament is being asked to do this evening is to lay the final nail in the coffin of Petrotrin. The coffin was built downstairs and they brought it upstairs now to complete that construction. And when this Bill is passed in this Parliament, it will be the end of Petrotrin in Trinidad and Tobago, Mr. Vice-President.

This Bill signifies the butchering. It signifies the slaughtering of Petrotrin, chopping up, dismantling and destroying what was once a flagship company of our blessed country. This slaughtering will affect the lives of thousands of workers and their families. You are removing valuable assets from Petrotrin and leaving it with a legacy of debt.

Throughout this entire restructuring exercise under the guise of restructuring, this Government has acted illegally on every front. [*Desk thumping*] They have abused the laws. They have abused the workers, and they have abused the citizens of this country. They have completely disregarded the law, acted unlawfully, ultra vires and without any legal authority. I expected the Minister of Energy and Energy Industries, in his contribution, to properly address those issues that Sen. Ramdeen would have raised, those issues that dealt with the enormous sums of moneys that were paid to certain individuals with no benefit to this country.

This is the Minister who administers the Petroleum Act. This is the Minister who has all of the information, but yet provided none to this Parliament to answer the allegations by Sen. Ramdeen, none whatsoever. So you know what that says, Mr. Vice-President? It says whatever Sen. Ramdeen has said has been accepted by the Government. [*Desk thumping*]



And the Minister of Energy and Energy Industries spoke of that, the Government is not shutting down Petrotrin. Well, I was amused when I heard that because clearly this PNM Government is governing somewhere on the moon or on Mars. Because “Yuh shut down de refinery. Yuh send home all of the workers, but yuh not shutting down Petrotrin. Yuh taking out all of the assets, but yuh not shutting down Petrotrin.” Not a single worker come to talk about Amazon and Google and Apple. Do you think workers want to hear that? They cannot afford nothing in those companies.

As the Senior Counsel in the matter that was recently decided yesterday he said: Do you what this Government is doing? They are mamaguying workers, mamaguying workers. [*Desk thumping*] And then I heard again—you are mamaguying people, because you said there would be so much activity on the south lands, that you will employ “so much people”. Well, the judgment said that they fired 5,500 individuals and they set up all of these companies.

So, let us go through the companies and let us see “how much people” they are going to hire. The first company, Guaracara Refining Company. This is the company’s document, Mr. Vice-President, I am reading from: Number of intended employees, one. [*Interruption*] No—one, one, *uno*. Next company, Paria Fuel Trading Company Limited, number of intended employees, 200. Next company, Heritage Petroleum Company, number of intended employees, 800. “Yuh fire 5,500 workers and then yuh going tuh hire 1,100 workers?”

**Hon. Senators:** One thousand and one workers.

**Sen. S. Hosein:** One thousand and one worker? How could you say that? Are you fooling the people? You are mamaguying the workers, mamaguying the

people. Then you come and tell the people, tell the country that a salary—”  
[*Crosstalk*] Then you come and tell the country—

**Mr. Vice-President:** Senators, it is getting a little loud. Allow the Member to contribute, so that I can hear him. Continue, Senator.

**Sen. S. Hosein:** Thank you, very much, Mr. Vice-President. [*Desk thumping*] And then you come to tell the country that receiving a salary of quarter million dollars per month is not lucrative. That is five times the salary of the Prime Minister, five times. You said it is not lucrative but when workers in Petrotrin were making \$25,000, \$10,000, you vilify them. You come to the Parliament and say: “Oh, look, dey working fuh so much money. We need tuh shut down de company. Dis wage bill is too high.” But then you are hiring one man, one man, for how much? Quarter million dollars. Imagine this Government, the hypocrisy of this Government, Mr. Vice-President.

Today I was reading the *Newsday*, this morning, and there is a poll, and out of that poll, they wanted to get the public opinion on the shutdown of the refinery—64 per cent of the people said the refinery should not have been shut down; 23 per cent said that it should have been shut down. And then they also polled a trust issue. And do you know who scored the lowest in the trust issue? Wilfred Espinet. So the population never voted for this man. They do not trust the man. But you appoint him on every single one of these new companies to run it. I call on this Government that if you need to fire somebody, fire Wilfred Espinet. That is the man you need to fire.

Mr. Vice-President, let me get into the substance of my contribution. What they are asking us to do in this vesting Bill is to just take out assets from Petrotrin

and put it into three other companies: the E&P assets into the Heritage Company, the refinery assets into the Guaracara Company and then you have the marketing assets into the Paria Company.

Now, there was a similar exercise done in this country with many other state enterprises—BWIA, Caroni, TTPost. So, you have to ask the question, Mr. Vice-President: What is the purpose in doing this? Because when you take out all of these assets from these companies and place it in other companies, the Petrotrin debt remains the same. Petrotrin still has the same amount of debts. Where is the business model to show how divesting these assets will equate to profitability? How?

And then, during my research, I went back to *Hansard* and I saw the Attorney General, while he was an Opposition Senator, participated in a debate dealing with the TTPost Vesting Bill in 2012. And do you know what the Attorney General had to say, Mr. Vice-President? And I will quote from the *Hansard* dated the 6<sup>th</sup> of March, 2012? The Attorney General says:

“What concerns me is, how are we going to move by a mere vesting of properties of TTPost into a position of profitability? We may very well be putting assets only into the TTPost,”

Same thing we are doing here.

“but we are not guaranteed without production of a business plan or any form of conscience as to how we are going to achieve profitability. I would think that is an important matter to put before this Senate.”

Now, myself and the Attorney General, we do not always agree. But in this case, I agree with him totally. Where is the business plan? Where is the business plan to

show that the vesting of these assets is going to make Petrotrin profitable? [*Desk thumping*] You have presented nothing to the country. As I join with Sen. Vieira when he said there is a lack of information, a complete lack of information. There is no transparency. There is no accountability and there is no document. There is no plan to show the governance structure of these new companies. Because the same fellas, the same persons who destroyed Petrotrin—well, you appoint them directors on these other four companies.

Then I move on to the other point. The Attorney General raised a valuable point in that same debate. He said we must know what the values of these assets are. So I ask the Government: What are the values of these assets that we are going to vest from Petrotrin to Heritage, Paria and Guaracara? These are billion-dollar assets. We do not know how much is going into these smaller companies, Mr. Vice-President. We need to know what the values of the assets are. This is clearly a not-well-thought-out plan. Because Sen. Ramdeen would have raised the point, too, that these companies were incorporated on the 5<sup>th</sup> of October. But then you have on the 7<sup>th</sup> of November, a Cabinet Note saying that we are going to put all the assets into this company. So you create the company before Cabinet approves it. That does not make sense, Mr. Vice-President. It is a back-to-front Government.

And then you must look at the illegality of this Government and how they acted illegally and this vesting Bill, there is a fundamental flaw in this vesting Bill. And the Government must acknowledge that they have messed up in this situation and they must fix the error because they are acting illegally, Mr. Vice-President. How can you transfer lands that you do not own? You cannot do that. Any lawyer

would tell you that is fraudulent. That is fraud. Whenever you are going to conduct any land transaction, a deed of conveyance, a transfer of title, what you would do is conduct a land search, a title search, and the title search will tell you: one, whether or not you have good root of title; and two, whether or not the chain of title is established. So that from the first owner to the current owner, there is a chain of ownership. So that you will be able to know that the present owner actually owns the land.

So, I want to go through the history of this part of the vesting, Mr. Vice-President, and I am focused on the second schedule of the Bill that deals with vesting the E&P lands, the PSAEL Lands into the Heritage Petroleum Company. In 1993, there is a Petrotrin Vesting Act that was passed. And in the First Schedule of that Act, it dealt with the core assets of Petrotrin, and some of those core assets, according to the First Schedule of that Act, are assets such as the oil mining leases and licences, producing and non-producing oilfields, the shares in Trinmar, the Pointe-a-Pierre and Point Fortin refineries, the Pointe-a-Pierre Hospital. So those are the First Schedule assets. And then they vested the non-core assets, which are the Second Schedule assets. They left them in Trintoc and Trintopec, and these assets are the Pointe-a-Pierre residential area buildings, the recreational clubs and facilities, the residences in Maraval, Beach Camp, Forest Reserve residential. And then, more importantly, you have all agricultural holdings, which are the shares in Trintoc and PSAEL.

So, in 1993, these agricultural lands that this Government now wants to vest into the Heritage Company, were held by PSAEL. But interestingly, in 2015, by a Ministerial Order, which the Minister of Finance is empowered to do, he

transferred the lands, that is the PSAEL Lands to Petrotrin, and this is the exact same land that is found in the second schedule of this Bill.

**Sen. Ramdeen:** What?

**Sen. S. Hosein:** Exact same land. And the exact same land amounts to, I can give you the figures; it amounts to 1,829 acres of land located in Coora and Quarry. And also 1,896 acres of land located in Palo Seco, exact same lands, you know. Exact same lands were transferred from PSAEL to Petrotrin, 2015. Now the Government says they want to transfer the lands from PSAEL to Heritage. Well, PSAEL does not own the land. It is Petrotrin that owns the land. How can you transfer lands that you do not own, Mr. Vice-President? It is fraudulent. It is unlawful and this Bill should be withdrawn from this House. [*Desk thumping*] It is a shame for a government to bring such a fundamentally flawed piece of legislation for the deliberation of this Parliament. I have the Legal Notice in my hand that transferred the lands.

And to top it off, there is a letter sent by the Ministry of Finance and the Economy to the Chairman of PSAEL at that time, indicating that the 2015 Order was drafted and it was going to be gazetted. I have the letter in my hand. So they cannot come and say that they are unaware. The records show that the lands have been transferred. The Ministerial Order, it was gazetted on the 12<sup>th</sup> of February, 2015. I cannot understand how the Government could have missed this. How could they make such a fundamental flaw?

And I am thankful to my colleague, Sen. Ramdeen, because we work as one on this side. We do not share information with other people on the other side. But Sen. Ramdeen, he passed me the Cabinet Note that one of their colleagues would

have passed to them, the 7<sup>th</sup> of November, 2018. I examined these Cabinet Notes. Every single page, Mr. Vice-President, not a single mention of the 2015 Ministerial Order that transferred the lands from PSAEL to Petrotrin.

But then you hear—I listened to the debate, you know, Mr. Vice-President. I listened to the debate in the other place. And in the other place, I heard the Minister of Finance saying, beating his chest, “he say, de Order, dat 2015 Order is null and void, null and void.” Well, respectfully, Minister of Finance, if it is null and void, you have the power to revoke it, and I do not know since when you had the power to determine whether or not a statutory instrument is null and void. You have Executive power, not judicial power, Minister of Finance. And then, when you look again, there was a legal—I would ask the Minister of Finance to show me the legal opinion that pointed him to say that the Order was null and void. And if his argument that the 2015 Order is null and void, well then everything that was done under that Order is also illegal and null and void.

So he has to come clean with the population and say whether or not he is going to withdraw, revoke the 2015 Order, or either he is going to amend the current Bill. This is going to clearly lead into terminal, legal issues, Mr. Vice-President.

Then you see even before this Bill is passed in this House, I do not know, the Minister of Energy and Energy Industries is having a very difficult time because even before the Bill is passed, I have in my hand a letter, a pre-action protocol letter from one Peter A. C. Taylor, attorney-at-law. I believe he was a former PNM Minister, MP, Minister of Legal Affairs and Cabinet colleague of my friends opposite. And the letter, 15 November, 2018, [*Interruption*] yes, they

know him very well, addressed to the hon. Franklin Khan, Minister of Energy and Energy Industries. And what he is basically alleging in this letter, Mr. Vice-President, is—if I am going to break it down in layman's terms—is that Petrotrin is trying to take his clients' land. That is basically what it is. You are taking away people's land. Sort out the land issues in Petrotrin. Stop this illegality. Come clean with the population. Do the work before you come with a vesting Bill in order to vest all of these assets. What this Government is doing is going to pass heavy litigation on to the Heritage Petroleum Company. That is what they are going to do. But I guess the Minister of Energy and Energy Industries and former Minister Peter Taylor will have their days in court, however long that may be, Mr. Vice-President.

There is another point, Mr. Vice-President, that I would like to raise, and this is also a point relating to the lands. The point is that Petrotrin has no evidence of all the lands it owns, all the lands that it owns. Because when the lands were transferred—I will give a background into this point also—in 1993, by the Petrotrin Vesting Act of 1993, those lands were formerly owned by Trintoc and Trintopec. Now, at that time, the Petrotrin board was uncertain as to whether or not this Act was sufficient to have vested all of these lands into Petrotrin—that is, the Trintoc/Trintopec lands—into Petrotrin. And, Mr. Vice-President, they sought a legal opinion. And this legal opinion was done by one, Hedwige Bereaux, attorney-at-law, who holds himself out to be a specialist in petroleum law—a former PNM MP, and also I believe that he was an awardee at the Sunday convention in Tobago. And this is what their own colleagues advised them of, you know. Their colleagues advised them yes, the Petrotrin Act was good enough to



vest the land. But you know what he also advised them? He said Petrotrin needs to identify every single parcel of land it owns.

**Sen. Ramdeen:** “Dey eh even listen tuh Bereaux?”

**Sen. S. Hosein:** “Dem eh listen tuh Bereaux.” They have to do something called deeds of affirmation. You must affirm the title on Petrotrin lands. Now, there are two systems of land in Trinidad. You have the common law system and then you have the RPO land system. With the common law system, you do deeds of affirmation saying that Petrotrin, the lands were vested in Petrotrin by virtue of the Act and it is some recitals that you include in the deed. I have a copy of one of those deeds in my hand, DE 2006/0178/1126. That is the number of the deed as an example of one of the deeds of affirmation.

But he also indicated that, with respect to the RPO lands, when you transfer RPO lands, you have to endorse the back of those certificates with a stamp and you would fill out the information where the lands are transferred or affirmed to. Now, none of this was done, Mr. Vice-President. And their own colleague, Mr. Bereaux, warned them that you need to do this.

So, Petrotrin had 25 years to complete this exercise, 25 years to complete this exercise. And do you want to know what is the status of that exercise, Mr. Vice-President? There are currently 853 parcels of land, amounting to 13,863 acres of land, yet to be affirmed by Petrotrin. But then when you look at the status or the state of the Petrotrin land management system, you will find the following. You will find that Petrotrin cannot account for 216 parcels of land, that over 439 RPO deeds are missing from Petrotrin. “Missing yuh know”, Mr. Vice-President. This is from Petrotrin, 439 RPO titles are missing. Imagine they have 148 parcels

of land, non-contiguous parcels of land, which means land all over the place, not in one location, and you know what, Mr. Vice-President, they put it under one assessment number, one assessment number.

**6.30 p.m.**

That is the state of Petrotrin lands today. And you know what this Government is going to do? Pick up all the land and place it into the Heritage Company. You failed to sort out your issues with respect to the land ownership and land regularization of Petrotrin and now you are going to put it into this Heritage Company.

Petrotrin will not be able to account for the lands it owns. You did not do the work. The Government failed to do the work. It is a laziness on the part of this PNM Government to do the work, Mr. Vice-President. [*Desk thumping*] It is a laziness. [*Crosstalk*] They were there for five years. “Doh worry, I am coming to that.” No, I am coming to that.

And, Mr. Vice-President, the Government is landing itself in a messy, messy situation with regard to the lands of Petrotrin and—the Minister of Energy and Energy Industries did allude that the Heritage Petroleum Company would be the profitable company, the exploration and production part of the Petrotrin side. And if you are going to transfer to all of these issues to this company it will be bogged down in legal litigation. You are going to open up floodgates of litigation. So, Mr. Vice-President, this is a warning to the Government, fix this piece of legislation; fix it.

But then—Sen. Ramdeen would have alluded to this point earlier that yesterday, at the Industrial Court, just yesterday, a judgment was handed down, a

judgment was handed out saying that Petrotrin committed an industrial regulations offence.

**Sen. Ramdeen:** “And they get fine”.

**Sen. S. Hosein:** “They get fine \$4,000”. It should have been more, but that is the maximum fine. And in this judgment, Mr. Vice-President, you would see that a list of witnesses were given, and the Attorney General in this matter—we need to understand this matter. Let us rewind a little bit. This matter ended up before the courts simply because the Minister of Labour and Small Enterprise Development would have entered into the Industrial Court a Memorandum of Agreement between the union and Petrotrin, which would have had the same power as a court order.

Then before Petrotrin decided to close the company, they failed to consult with the union. And that is what brought this matter to the court; failed to consult with the union. In the words of Wilfred Espinet, he did not need to, because it did not make sense to consult with the union because they are going to shut down the company.

The Attorney General wanted to be an interested party in this matter, Mr. Vice-President. He went to the court, the Court refused him. He went to the Court of Appeal, they gave him leave to come down and appear in the matter. So he decided to call two witnesses; one, Timmy Baksh, Director of Energy, witness for the Attorney General and, one, Vishnu Dhanpaul, Permanent Secretary, Ministry of Finance, witness for the Attorney General.

And the court obviously had to test the testimony of Mr. Dhanpaul. So the court at page 9 of the judgment, they said and if you will allow me to quote, Mr.

Vice-President, because I do not want to misquote the court. They said;

Mr. Dhanpaul in his witness statement stated inter alia the calls for Government guarantees are happening with greater frequency, as more delay and instability occurs, and this increased even more when the interim injunctive relief was granted by the court. Mr. Dhanpaul offered to produce letters to the court in support of contention. He produced emails with respective attachments, dated 24<sup>th</sup> October, 1<sup>st</sup> November, 2<sup>nd</sup> November and 9<sup>th</sup> November, 2018.

And this is what the court said. The court said;

However, none of these e-mails made mention of court proceedings or to injunctive relief which was granted on the 8<sup>th</sup> of October, 2018. Moreover there is no email which contained a request for a Government guarantee as a result of court proceedings.

This man is the witness for the Attorney General and being untruthful to the court, Mr. Vice-President. The court found that what he was saying in his witness statement is not what was adding up in the documents that was produced to the court. And then this Government wants us to trust them whenever they say that Petrotrin cannot be profitable.

Under a UNC government, Mr. Vice-President, let me put this on the record, we would have never shut down Petrotrin. [*Desk thumping*] We would have never shut down Petrotrin. We would have always stayed on the side of workers in this country, Mr. Vice-President, [*Desk thumping*] because we are a very inclusive party, and our track record in government would have shown that we cared about the people of this country, Mr. Vice-President.

We would have never, never employed, Mr. Vice-President, a foreigner to head our Heritage Company. A Heritage Company—[*Crosstalk*]—a Heritage Company—the first employee is a foreigner. That is the hypocrisy of this Government. That is the hypocrisy of this Government.

And, Mr. Vice-President, as I move along, because there is much to be said with regard to this matter, because on all legs we are seeing that the lands that are going to be vested in the Heritage Company, illegal, fraudulent. We see that the manner in which Petrotrin closed down the refinery, again, illegal. The court found them to be illegal, the hiring of Wiley, illegal again, Mr. Vice-President.

**Sen. Ramdeen:** The election of the PNM.

**Sen. S. Hosein:** I would not go there. But, Mr. Vice-President, it shows that this entire debacle, this entire shutting down of Petrotrin, the entire way in which the PNM Government dealt with Petrotrin was illegal, unlawful. But we have to go on to show that the governance structure of this new arrangement, this governance structure, there is none.

Because, the Minister of Energy and Energy Industries, he held up a flowchart showing how Petrotrin would have reached to the state that is was, in terms of Trintoc, Trintopec, Trinmar all being amalgamated under one umbrella called Petrotrin. So, that was then three companies forming one. And you know what this Government did, Mr. Vice-President? They moved backwards. They take one company and split it into four. That is what they did, you know. So history is repeating itself. That is what this Government has done. If it did not work then, you think it will work now? You still have the same man heading all of the boards, Mr. Wilfred Espinet, Mr. Reynold Ajodhasingh.

Miscellaneous Provisions (Heritage Petroleum  
Paria Fuel Trading and Guaracara Refining Vesting  
Bill, 2018  
Sen. Hosein (cont'd)

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**Sen. Obika:** “Yuh have four Wileys now.”

**Sen. S. Hosein:** And, Mr. Vice-President, I go along again. Let us examine the documents, the company’s documents that would have established or incorporated all of these companies.

The Minister of Energy and Energy Industries spoke of persons were not coming forward because they are afraid, they do not want to make their declarations under the Integrity in Public Life Act. And I found that very alarming because the only reason that you would be afraid to declare assets under that Act is that if you probably would have acquired your assets unlawfully. If you have something to hide. “If you have cocoa in the sun.” And, Mr. Vice-President— [*Crosstalk*—you will get your time so speak.

And, Mr. Vice-President, when you look at the way in which these companies are set up, I want to draw an example, with respect to TSTT. The Court of Appeal would have found that TSTT was not a state enterprise because of the arrangement of the shareholdings. And you know what, Mr. Vice-President, the directors of TSTT are not subjected to the provisions of the Integrity in Public Life Act. Because it is not controlled by the State and when you look at these companies’ documents, you will see a section and that section is section 5 of every company’s document, Heritage, Paria, and Guaracara. Restrictions if any on share transfers or share ownership, you know what the answer is? None. No restrictions. Nothing prevents any of these companies from divesting the shares into private persons.

Mr. Vice-President, if this happens you privatize these companies and you know what, none of them will be subject to the Integrity in Public Life Act. I do

not know if that is what this Government wants but, I think these incorporation documents need to be amended, so that the Government gives a commitment that the shares remain in the State and it is not to be privatized. [*Desk thumping*]

And these companies' documents are very telling, Mr. Vice-President, because there is another part and it deals with Part VII of the incorporation documents, restrictions if any on powers of directors to amend by-laws. None, that is the answer none. All of these companies no restrictions. Now the by-laws of a company, Mr. Vice-President, those will be the provisions, those will be the laws, it will be the constitution that governs these companies. We have seen none. Not a single by-law was created. And we do not know what will be incorporated into them. We are going to lose the governance structure. The State may very well lose control of these companies.

Mr. Vice-President, why did the State not put any restrictions in terms of the creation of by-laws? Allow these by-laws to be subject to the scrutiny of the Parliament. So that the people will know how these four companies are going to be governed. You failed to do it yourselves, privately, so bring it to the public. Let us determine how these companies are going to be run. Mr. Vice-President, and that is the secrecy that this Government is involved in. Everything they do is in a shroud of secrecy, everything that they do. Because, there is another company, it is called the Trinidad and Tobago Upstream Downstream Company Limited. I remember when this company was incorporated, the Minister of Energy and Energy Industries again, he said we signed a gas deal with Niquan to provide gas and we will use some of Petrotrin's assets and vest it into this Trinidad upstream downstream company. Well, are you not going to vest any of these

assets into the company? Is that plan aborted? Did you retract from that plan? Did you withdraw from that position? Because it was in a press release by the Minister of Energy and Energy Industries. What happened from then till now?

Mr. Vice-President, it leaves so many questions unanswered with regard to this deal. It leads us to only one conclusion that we have to question every move by this Government because we simply cannot trust them. When you have witnesses on behalf of the Government going into the court and being strangers to the truth, what do you expect, Mr. Vice-President? We cannot trust this Government. [*Desk thumping*]

But in the Cabinet Note that my colleague would have passed to me also, they took out all of the assets from Petrotrin: exploration and production, the refinery, marketing. But there are a few assets that are remaining, Mr. Vice-President, and these assets are still in the name of Trintoc and Trintopec, and these are the bungalows. [*Crosstalk*] Right, Mr. Vice-President, in the November 07<sup>th</sup> Cabinet Note, Mr. Vice-President, they dealt with those bungalows.

So you shut down Petrotrin, you fired all the workers, you moved out all the assets from Petrotrin and, you know, what you doing by this Cabinet Note? What you are going to call the Petrotrin Vesting Order, 2018? Taking all the bungalows, all the nice houses that Petrotrin owned and you are going to put it in Petrotrin where you have no employees. Who are going to be the ones benefiting from these bungalows, Mr. Vice-President?

**Sen. Obika:** Over a billion dollars.

**Sen. S. Hosein:** [*Crosstalk*] Who are they? Now, I remember a colleague from the other side was in court, because she did not want to leave the bungalow. But



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then it was so nice, she did not want to leave, Mr. Vice-President—

**Sen. Ameen:** “Doh call any names.”

**Sen. S. Hosein:**—I am not going to call any names. I am not going to call any names. [*Crosstalk*] I am not calling names, Mr. Vice-President. I would not be involved in that type of activity. But they would have experienced the luxuries of those bungalows that they had to end up on the steps of court to remain. But then they had to be evicted.

**Sen. Obika:** She has good taste.

**Sen. S. Hosein:** So, Mr. Vice-President, we are asking these pertinent questions, because you know what these are? These are the goodies that Petrotrin owns. The goodies of the State and there is no policy of how these goodies would be distributed. You do not know who are going to get them, Mr. Vice-President, and these are pertinent questions. I do not know if Mr. Wiley is already in one, cozying himself in one. But I know that Petrotrin has been shut down. This is the first time in the history in probably any part of the world that you shut down a company and you decide to renovate it at the same time—

**Mr. Vice-President:** Senator, you have five minutes.

**Sen. S. Hosein:**—because I am reliably informed, Mr. Vice-President, that right now, Petrotrin is undergoing some beautification exercises, that there is some painting going on at the compound there in Pointe-a-Pierre, Mr. Vice-President. And the Government really needs to rethink what they are doing with respect to this Petrotrin issue because you must always learn from the history and the population must be able to be aware and they must be able to comprehend where the PNM Government has put us. Because we must understand, why did we come

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here today? Why it is that Petrotrin is at this state today, and in words of the hon. Prime Minister, he said, it was as a result of incomplete engineering at the start of omissions technical issues—and, you know what he said it dealt with? Projects. The cost overruns of these projects.

And I will give a few, Mr. Vice-President. World GTL, 3.15 billion, Gasoline Optimization Programme, increase from 2.45 billion in 2005 to 12.6 billion which was completed in 2013. Ultra-Low Sulphur Diesel project rose from 791 million to 2.89 billion. The abandoned new headquarters which cost the citizens of this country more this \$400 million, a sharp decline in Trinmar's production by one-third from 33,597 barrels per day in 2005 to 22,389 barrels per day 2010.

And they always complain about the bonds, but they must admit that it was under a PNM Government that those bonds were issued to Petrotrin. You have “locked the neck” of Petrotrin. You have “locked the neck” of the economy of this country and right now what you are doing is that you are going to bury Petrotrin. Petrotrin is the victim of the PNM. The PNM has battered, the PNM has destroyed and now they are dismantling what was one of our most proud state enterprise in this country. Petrotrin. And I thank you very much, Mr. Vice-President. [*Desk thumping*]

**Sen. Deeroop Teemal:** [*Desk thumping*] Mr. Vice-President, first of all my thanks for the opportunity to contribute to this Miscellaneous Provisions (Heritage Petroleum, Paria Fuel Trading and Guaracara Vesting) Bill, 2018. But before I do so I must express my appreciation to the Government Senators and also Opposition Senators for their warm welcome and best wishes to this House.

No matter what we discuss about divestment, Mr. Vice-President, with all the talk and all noble intentions, we know that divestment of the economy of Trinidad and Tobago, subject to a lot of challenges, and it is not something that is going to happen even in the short term in any significant way to shift the basis of our economy. And, no matter what, despite the optimism expressed by Sen. Franklin Khan, about the model gas that is evolving and the expected revenues and benefits to the economy, there is no doubt that for a significant amount of years to come what happens coming out of this restructuring of Petrotrin is going to impact significantly on our economy for a significant period time.

Sen. Vieira, in his contribution, mentioned about a general lack of information. And I would like to echo his view as well to some extent in that a preamble in a Bill in my humble opinion, should really lay the ground work and should really contain detailed information to remove any suspicions about a Bill that is being proposed. And unfortunately, in my opinion the preamble to this Bill and the information and the way that it is presented is creating a lot of doubts, at least in my mind, in that, for instance, other than the mention of Petrotrin, the fact that it is a company registered under the Companies Act, Chap. 81:01, when it comes to mention of Heritage Petroleum, the preamble simply states:

“...a company incorporated in Trinidad and Tobago...”

And it may seem that I am being nit-picky about very small things, but in terms of the base information in the preamble, it opens up the door for a lot of questions, I think.

And there is no mention to say, like for instance, in the Caroni (1975) Limited and Orange Grove National Limited (Divestment) Act in that preamble

when the company was being mentioned it is very clear, incorporated in Trinidad and Tobago registered under the Companies Act, Chap. 81:01, and most importantly:

“...wholly owned state enterprises...”

And for all of the three companies here, Heritage Petroleum, Paria Fuel Trading, Guaracara Refining, in the preamble that:

“...wholly owned state enterprise...”

—for some reason is not there.

Additionally, and to me it is surprising is that no mention is made in the preamble, although we have been told many times that these are subsidiary companies of intended an Trinidad Holding Petroleum Limited, nowhere is this Trinidad Holdings Petroleum Limited mentioned as well.

Mr. Vice-President, last night looking at some of the *CNC3* News, there was this part about the demolition of some homes, some foundations in the Santa Flora area and I searched afterwards, looking at that news, the content of the Bill to see, in terms of the large area of land being transferred under this Act, almost over 2,500 acres of land, whether there was mention of any land Act that would impact on this proposed Bill.

For instance, the State Lands Act, the Agricultural Small Holdings Tenure Act, the Land Tenants (Security of Tenure) Act, the State Lands (Regularisation of Tenure) Act. And we need to be extremely careful with this piece of legislation that this Bill should not operate to derogate from any rights, benefits, legitimate expectations already acquired by or vested in any tenant or squatter under the above Acts.

**Sen. Ramdeen:** Good point. [*Desk thumping*]

**Sen. D Teemal:** Mr. Vice-President, in the preamble the Minister in the Ministry of Finance is mentioned. But you know within the entire Bill, there are no powers, no duties, no responsibilities, no mention of even the Minister within the content of the Bill. Not anywhere else in the Bill it is mentioned.

And this Bill deals specifically with the transfer of assets of one state enterprise to another state enterprise. And there is no precedence, there is no definitive Bill or Act for the transfer of assets of State clearly to assets of another state and this is why, in terms of the role of the Minister, there are not any clauses at all mentioned definitively in this Bill.

Also, Mr. Vice-President, it is a very well-known fact that when it comes to management of assets in this country most of our state enterprises, if not all, are sadly inefficient. And I would like to propose that an asset management accountability framework should be presented to this Parliament no later than three months after the appointed day of December 01, 2018, of this Bill.

The reason I am saying that an asset management accountability framework should be presented. Mr. Vice-President, is that all the non-current asset portfolios including land, buildings, infrastructure, plant and equipment have and must be managed appropriately in order for this restructuring of Petrotrin to work? Because as I mentioned before asset management is a serious challenge in this country, particularly by state enterprises.

We need to manage assets in a manner consistent with State and Government requirements, their own operational circumstances and the nature and type of the asset base. And in this situation the nature and the type of the asset

base is very challenging because of the length of time that has elapsed—the length of time that Petrotrin has been in operation, the intricacies of all the land leases, both freehold and leasehold lands, the aged building, the aged infrastructure, plant and equipment makes it even more necessary.

This asset management accountability framework should also be done to ensure full value from the assets in fulfilling their service delivery objectives. So, I repeat again, consideration should definitely be given to having this asset management accountability framework presented within a specified time frame from the appointment of this Bill to this House. And I will take some time just to enumerate some of the guiding principles for this asset management accountability framework.

Firstly, it should be service delivery focused. It should focus on management activities, methods and decisions based on service delivery needs and outcome. So it needs to be driven by the service delivery needs of the three companies that the assets are being transferred to. There needs to be integrated into planning framework, in that, asset planning and management to be integrated into Government and State policy and planning framework in a meaningful and sustainable way.

**7.00 p.m.**

Mr. Vice-President, it must have a whole-of-life-cycle approach, taking into account all costs incurred throughout the life cycle, from acquisition through transfer, to disposal. Guiding principles should also be informed decision-making, evaluation of all potential methods to meet service delivery demands; meaningful performance measurement of assets through key performance indicators.

Another guiding principle: responsibility and accountability. Relevant ownership control, accountability, responsibility and reporting requirements for the transferred assets must be established and implemented. Asset management information systems should be maintained that meet the requirements for organizational and government information, decision-making and reporting. Asset-related risks are fully integrated into companies' overall risk management framework. And lastly, guiding principle: maintenance and security. We all know our history of the lack of maintenance, in fact the pervasive lack of maintenance culture that exists in our country and security.

Mr. Vice-President, the refinery is being mothballed in the interest of inviting RFPs from potential operators at some point in time in the future, who may make use of the refinery assets, put it back into production in a profitable manner. But mothballing the refinery, if we do not put security arrangements in place, we are familiar with what happened with Caroni (1975) Limited and its assets, and the looting, and the "tiefing", and the deterioration of those assets, so much so, that rather than being an asset they became a burden to the country.

So the security, as part of the asset management accountability framework, to ensure that the theft and the vandalism of the mothballed refinery is a very important aspect of management framework that, in my opinion, needs to be put in place.

Mr. Vice-President, I would conclude here with just those few comments, but today I understand is the International Children's Day, United Nations. The assets that are being transferred to these three companies must be managed effectively for the benefit of this country, [*Desk thumping*] and the children, as this

is International Children's Day, for the benefit of our children and our future generation. I thank you.

**The Minister of Trade and Industry (Sen. The Hon. Paula Gopee-Scoon):**

Thank you, Mr. Vice-President. Can I congratulate all of you who have entered this honoured place to serve the people of Trinidad and Tobago, and especially you Sen. Teemal who have spoken for the first time here and so convincingly. I thank you for your contribution, and you have raised some points that perhaps we will consider. So thank you very much.

Mr. Vice-President, the Bill today was debated and passed in the Lower House on Wednesday the 14<sup>th</sup> of November, and it is a Bill which is quite straightforward, contrary to what Sen. Hosein would make it out to be, quite straightforward. It is a Bill to vest certain assets of Petrotrin in the Heritage Petroleum Company Limited, the Paria Trading Company Limited and the Guaracara Refining Company Limited. It also makes provisions to vest certain residual assets of Trintoc and Trintopec, the Trinidad and Tobago Oil Company Limited and the Trinidad and Tobago Petroleum Company Limited in the Guaracara Refining Company Limited as well. Also, the Bill seeks to vest Palo Seco Agricultural Enterprises Limited lands into the Heritage Petroleum Company as well.

I think the Minister in the Ministry of Finance would have detailed the further provisions of the Bill. As I said, it is very straightforward, and I do not know that there is a need for me to actually detail these. So I am just going to respond and try to elucidate on some of the comments that were made before.

There was a comment made by Sen. Ramdeen and echoed again by Sen.



Hosein. It is not a comment really, an assertion that there are these few pages of paper circulating on the Opposition Bench, which they purport to be a Cabinet Note, which they say—[*Interruption*—I am on my feet—which they say was leaked by one of my colleagues. I want to completely debunk that, and to say to you that those remarks are utterly false, [*Desk thumping*] and I will not allow you to debase any of my colleagues on this Bench, [*Crosstalk*] in the Cabinet, the 23 Members of us in the Cabinet, the Prime Minister.

**Mr. Vice-President:** Minister, one second. Allow the Minister to make her contribution without the shouting across the floor at her, while she is trying to make that contribution. She is responding to comments that have gone before in this debate, and she is allowed to do. Minister, continue.

**Sen. The Hon. P. Gopee-Scoon:** Again, completely false, completely untrue and your remarks are outrageous, and I am extremely disappointed in you. I find it to be scandalous. I am not surprised.

A lot of the points that were raised by the other side really show that the Opposition in particular does not really understand the energy business. It is a difficult business to understand, in that, the key point is that it is a global business. As nationalistic as we want to be, this is a very, very complex global business. I myself had to take the time to research and understand what we are talking about here. And as we went along making the decisions bringing us to where we are today, we all were called upon to research and understand what is going on in the global oil business.

So that I would speak to some of the things that were not spoken to by the Minister of Energy and Energy Industries. But before going much deeper into my

Sen. The Hon P. Gopee-Scoon (cont'd)

commentary, I really want to commend—we got here on account of one person, and that is our hon. Prime Minister Dr. Rowley because—[*Interruption*—I will tell you why. This was a very, very difficult decision to take. We are extremely concerned for all those persons who were so unfortunate and had to walk away from their jobs. Many of them would have re-applied and would be re-employed, but there are those who will not be because we understand the numbers. But yet, the point I make is that this was a difficult decision.

From the time we came into office, Dr. Rowley made the point of communicating with the population about Petrotrin, and the dire state in which it was. He communicated, he also led. He got involved in international discussions, and we are aware of all of his interventions with all of the state players, the international players, international stakeholders in the industry, and more than ever he reactivated the Standing Committee on Energy which we know on that side did not even exist in the first two years after they went into office. From 2010 to 2012 there was no Standing Committee on Energy. Thereafter, there were 17 meetings I understand, but not one chaired by the then hon. Prime Minister Kamla Persad-Bissessar. And that gives you an indication of their level of interest in what is the most important asset of Trinidad and Tobago, our energy assets, and which contributes greatly to our GDP, and which will—we could talk from here till the cows come home— which will always have a serious impact and be always relevant to the bottom line.

So again I commend the Prime Minister for his leadership, and for taking a decision to take charge of the unfavourable state of affairs at Petrotrin, and to do something about it. We congratulate the board, Mr. Wilfred Espinet, and all of the

Sen. The Hon P. Gopee-Scoon (cont'd)

other professionals who have come forward to serve. We congratulate them all because this is a mammoth task, and to date we have done well and of course the discourse from the hon. Ministry of Energy and Energy Industries would have sold that to the members of the public.

But again I am not going to go back too far but to say what we were saddled with were enormous debt, losses year on end, failed asset integrity which continued to deteriorate. Of course, we remember all of these oil spills, especially the one which affected the people of La Brea, affected animal life, plant life, very, very massive oil spills. So all of these assets we were concerned about, and really there was no light at the end of the tunnel in the current business formation that Petrotrin was in.

So again, a decision had to be taken, and I know that decision would definitely not come from the other side. They were in there for five years. The prevailing circumstances were the same circumstances of the day, and yes, but you know they have no gumption, they have no backbone, and they would never have known to have been able to take the difficult decisions that needed to be taken in the interest of our country. But that is what leadership is about, and you cannot beat the hon. Prime Minister, Keith Christopher Rowley, and it is the reason why they would always remain on the other side.

**Hon. Senator:** “Dey give yuh dat bungalow. De bungalow is yours.” [*Laughter*]

**Sen. The Hon. P. Gopee-Scoon:** So again, the debt being—[*Interruption*]

**Hon. Senator:** “Allyuh pound de desk nuh.”

**Sen. The Hon. P. Gopee-Scoon:** I do not need them to pound any desks. I am quite comfortable, I am speaking to the public. And I want no bungalow, because I

Sen. The Hon P. Gopee-Scoon (cont'd)

will have you know—[*Laughter*—No, no, no I will take an aside here, and let Sen. Ramdeen know that I lived in the very bungalow next to it, so it meant nothing to me at all. It was due to me as the Member of Parliament for Point Fortin, but it is not something that I am unaccustomed to in the very event you are thinking along those lines; not at all. [*Desk thumping*]

**Sen. Le Hunte:** “Take dat in yuh ruckungkertung.”

**Sen. The Hon. P. Gopee-Scoon:** So, we were talking about debt, and the debt situation. And just to recall again that there were continuous losses. Losses of about \$8 billion in the last five years. Petrotrin had amounted a debt to the tune of \$12 billion. They had owed what the Minister said, \$3.4 billion to the shareholders, to the citizens of this country in the form of taxes and royalties. It would have taken some \$25 billion to keep Petrotrin alive if he we had chosen to keep that refinery, and of course we were expecting continuing losses of \$2 billion annually.

The operating costs were substantial, and the point was made, I think it was by Mr. Espinet himself, the Chairman, that the operating costs were about 70 per cent higher than that of its closest competitors. And you have to understand that Petrotrin is a business like any other thing. Whether you are in the business of pharmacy or whether you are in the business of manufacturing, it is a business, and there must be a business model that ensures that the activity is a sustainable one.

Petrotrin is not a make-work programme. It is not just about keeping workers. It is unfortunate that some persons lost their jobs, but Petrotrin is a viable business, and there was an intention in Petrotrin, there was an objective in Petrotrin which was to contribute to the national pie and to bring benefits to the people of

this country.

So I had a cursory glance at the last balance sheet, and I looked at the operating results. I examined it; we were going nowhere. There was nothing to come out of this. There were some benefits. From the time we instituted the new executive team, and together with the strategies which they had put in place, there were noticeable results in reducing costs and cutting waste, but it still could not help us.

If you look at the current assets and the current liabilities—current assets of \$7 billion, but in no way could meet the current liabilities of \$13 billion. So that was an untenable situation. Untenable operating costs as well; improvements yes from the time the new board came into place, but not enough to keep Petrotrin alive. Especially recalling the bullet payments that were ahead of us, the US \$850 million and the US \$750 million in 2021. Again, and also, beyond the debt situation the position with meeting our international environmental standards which we know, and I will speak about it later, would be changing effective 2020.

So, here we are with the reinvention of Petrotrin. All of us would make the point it is the refinery that has been shut down, and Petrotrin has been put into several—there are several subsidiary companies that have been created. The Heritage Petroleum Company Limited involved in crude oil production and marketing; Paria Fuel Trading Company Limited, involved in refined products trading, and terminal operations, Guaracara Refinery Company with the refinery assets. The Petrotrin Legacy Company with the residual and the ongoing items, and umbrella company, Trinidad Petroleum Holding Company Limited.

Where are we with the transition? How has the transition been going? I

Sen. The Hon P. Gopee-Scoon (cont'd)

think the public ought to be assured that there has been a seamless transition in terms of supply. When we look at some of the items that Petrotrin previously produced: gas oil, jet fuel, Mogas 95, Mogas 92—I looked actually at the ex-refinery stock to see when it would end, and I looked at each of these items and at the arrival of the first set of imports. And I can tell you there was a suitable overlap in terms of supply days, and therefore this is the reason why the public has not at all suffered in terms of this transition. It has been a seamless transition thus far in terms of the supply of these products: gas oil, jet fuel, Mogas 95, and you have to congratulate the transition team for the work that they have done.

There are some key successes, in that there has been the safe shutdown of the refinery operations. The last imported crude discharge was October 10, 2018, and crude processing ceased October 19, 2018. And again, it was spoken of on this Bench again. We had the export of local crude again, the first cargo left here already, and then of course we have had the import of refined products. So that we are on our way in terms of the transition process, and we can only look forward to this new and refined group of companies which at the end of the day we want to be an asset that we would be very proud of, a national asset that is owned by the people of Trinidad and Tobago.

And I said before in my introduction that it was very clear that the Members of the Opposition did not understand that this is international business. The Minister of Energy and Energy Industries took the time to explain the international implications and so on. I too looked at this. I went into a little bit of research, and there is a marvellous article called, “Refining 2021: Who Will Be in The Game?” It is by A.T. Kearney, and they are a global transformation group. They have been

in existence for a long time, since 1926, so they are quite strong. The article was published in June 2012. It speaks about who will be in the game of changing global market of the refinery business. And it really supports the decision which was taken by our Cabinet and the board, and so on.

Published back then in 2012, this is what they said, that one in five oil refineries was expected to cease operations—back then in 2012, one in five refineries—and that over the next 10 years, operators at one in every three refineries in North America and Western Europe will need to reconsider their operating models. So even if you did not have to cease operations, you definitely have to go in and look at your operating models and how they are integrated across the value chain. Otherwise, the article goes on to speak, they will struggle to keep up with changing global markets, and to compete with the improving global standards in refining. And by 2021, refineries will need to restructure, strategically reposition their assets or leave the market. That is the reality of the refining business internationally.

I will tell you, when they speak of improving global standards, I would speak a little bit about that. And we are talking about the IMOs, the international maritime organizations, global sulphur cap and what it means for the refining business. So that the current trend, then, of refinery closing is that it would continue with the refineries not taking a decision, being squeezed out of the market over the next five years, and especially for those with assets that are not financially viable, and they are speaking directly here to our situation in Petrotrin.

The debt situation was mammoth, huge, and so for those that are not financially viable, regardless of the model—you can choose whatever model you

want—a decision about whether to exist had to be taken very early on because there would absolutely be no hope for companies, refineries, already in distress.

The article spoke to refinery margins, and the Ministry of Energy and Energy Industries spoke to refinery margins dropping and so on. As a result, more than half of the refineries in Asia, in the Middle East and Eastern Europe have been constructed or significantly upgraded in the past decade to cope with the expectations to come.

You see, they talk about some of the significant amount of upgrade occurring in Asia and the Middle East and Eastern Europe. I think somewhere in there is the reason why. And indeed I think very early on, I think it was in the Basdeo Panday term of office we had the first upgrade. I hope I am right, and there was a second upgrade. I think all of this was contemplated for the proper reasons, for the correct reasons, but there are all sorts of circumstances, including price, our own production levels and so on, and all of those issues—the debt, the external prices—all of those circumstances would have accelerated our decision.

But, as I said, I think the refinery upgrade was well contemplated. The issue would have been the considerable cost overruns and the delays. I know they wish to lay the blame at the feet of only the People's National Movement's subsequent Governments, but that is not so at all, because we all know what happened with the ULSD plant under the last Government, which Khalid Hassanali the then President said he would take that on to be his baby. But five years, strictly cost overruns, and at the end of the day the ULSD project has come to naught, even with their involvement.

So what we have done and what is suggested is that you look into your asset



portfolios, and you see what makes sense, what is of value, and that is exactly what we did. What makes sense, what is of value and separate it into the exploration and production business which will be intensified, and then of course the terminalling business in which there is revenue to be gained again. Look at your assets, see what creates value, change your business model and ensure that you capture the most value that you can from your asset portfolio. So that is where we are.

Of course it went on to speak about the refinery value drivers. I am not going to go into all of that, but essentially it pointed to the things that matter: scale, technology, the assets which you have, your fiscal and regulatory regime, supply chain management, your operational flexibility—all of those considerations would be important in examining your current business model and paying attention as to where you go.

So I think essentially the decision that we took in terms of the model of restructuring and so on, I think it was a very healthy decision by all of those involved. Of course we leaned also on the work of the Lashley Report. We leaned on the McKinsey Report. We leaned on the Solomon Report as well.

So Petrotrin, to us we will feel—we own it, so it would seem to us like a great national asset, but really it was of very little value to us, and the debt situation was truly untenable. The poor refining margins, the inadequate raw materials base in the face of all of the changes in the global industry, there is just no way that we could have continued how we were.

Again, we were not the only ones. Even the smaller refineries have been closed. Some of them have been converted to terminals, all in Western Europe. I

Sen. The Hon P. Gopee-Scoon (cont'd)

can give you examples of refineries, smaller refineries that have been converted to terminals in Western Europe, in France, in Italy and harboured by Shell in Germany, Conoco, and there are others that have been offered for sale. Humberside by Conoco in the UK, Chevron in Nerefco in the Netherlands. So all over the world, small and large, you were affected, and it was incumbent on the Government to really take all this into account.

Clearly, there is no one size that fits all of these refinery types and oil operations, but again what is important is to recognize and to have recognized that it was a time for change. Change had come and we needed to do the right thing, and I am very pleased that we are doing it. All we are looking forward to now is excellence. As we move ahead that is what we are looking for. There is no free ride anywhere at all. It is about finding the right people. I am going to speak about Mr. Wiley after, and maybe I will mention again the board, but again it is finding the right competent people to take this asset which we all own towards a state of excellence.

I also looked at the oil and gas investor in another article on the next restructuring way for oil and gas producers. I am not going to speak much about it again, but to say that the article focused on the wave of bankruptcies and restructurings that broke through 2015 and 2016; we are not alone. That is the point I want to make. There are many countries that have suffered the same fate that we have, and many producers that have filed for bankruptcy and so on.

So here we are. So, having taken the decision, bp has expressed, there are many other large interests, large stakeholders that have expressed their congratulations for taking the bite into restructuring Petrotrin. Touchstone is one

of the stakeholders who we deal with, and I can quote Paul Baay, the President and Chief Executive Officer of Touchstone, who said we believe this is a difficult but an absolutely necessary step for Petrotrin. And we look forward to working with them as a partner while they transition the business and return to profitability.

**7.30 p.m.**

So, I spoke earlier about this new standard that will be—on which a decision has been taken, which will be introduced in the year 2020, and that is the IMO's global sulphur cap.

And, Mr. Vice-President, the point is whether you like it or not, the world is going ahead with it, and the International Maritime Organization on October 27<sup>th</sup> announced that it was going ahead with the global sulphur cap of 0.5 per cent on marine fuel starting from January 01, 2020. And, of course, there were years of uncertainty as to whether this will take place in 2020 or later on. Naturally, there are great concerns about it, but the decision was taken, it is before us and anybody in the refining business now is going to have to conform or else you are not going to be able to market your products abroad.

So the current global sulphur cap on bunker fuel for instance, is 3.5 per cent, so it is going to be a big, steep step down. Right? There are going to be tighter specifications with regard to bunker fuel and, of course, this has a knock-on effect on the whole global energy system including on road fuels. So if not the debt, certainly this is something that we would have taken or would have had to take into account, and we knew that this was coming.

And I think that is the reason why the Ultra-Low Sulphur Diesel Plant and all of the other upgrades and the GOP and so on was contemplated because this

decision, however you take it, it will impact refiners, it will impact crude producers, bunker suppliers. And we are certainly looking at the bunker industry for Paria and, of course, it is all about the emissions and air quality affecting the health of millions of people.

So again, and in that review, that particular article, and they were saying as well, this really would have huge implications in particular for simple refineries. I think about—I am not an engineer, I do not understand the industry enough, but I did not think that we were that simple, but I think about refineries like Jamaica for instance which is, in fact, a simple refinery, and I really shudder to think what, I mean, whether or not they will survive. I mean, I think there is going to be some great difficulty for Jamaica with regard to their existing refinery which I know is small and it is also a little bit aged. And perhaps with the more complex refineries, they would probably be able to take advantage of it.

So that is not our business anymore. It really will now be the business for the person who is successful in terms of the RFP which will go out to the international market for our refinery assets. But again, the capital cost will be massive and so on. I think we had a plant, but the point is, with all of the delays and so on, and the complexities with the ULSD plant, we just never technically were able to conquer it. There is no just to way we would have coped with what is to come in 2020.

And is there going to be some—will the world stick to the deadline? Yes. The big players are saying, yes, they can cope, and bp has said that compliance with the rule in 2020 is technically and commercially feasible and therefore, that is going to be the status quo. There are those who will be able to cope with it, and I

am quite pleased that we are not in the position to be able to, not just cope, but certainly compete.

So, I want to speak a little bit about the Paria Fuel Trading Company Limited. I think the Minister would have spoken about the exploration and production. So, that the Paria Fuel Trading Company Limited I can say, I think will be very profitable. There is a vision and a value proposition for Paria, and the vision is to be the preferred and reliable supplier of petroleum products to the local and regional markets, and offer efficient, cost effective terminal and bunkering services to all customers, and to deliver premium shareholder value while becoming the employer of choice and a source of pride for the people of Trinidad and Tobago.

So there is a lot to look forward to in terms of the Paria Fuel Trading Company Limited, with a vision like that. With the business model that has been developed would focus on safe, on responsible and efficient terminal operations in order to deliver crude oil and condensate and petroleum products to customers with superior service. So there is a lot to look forward to.

Even in terms of the Caribbean, I will tell you that last week—that on the agenda is certainly not just servicing Trinidad and Tobago but the Caribbean market. And it is a small market, but it can be very valuable to us now in that particular type of business. The market is so small, it is less than 0.3 per cent of the total world demand. And the complexities are that the diverse range of product specifications and varying requirements are a lot to deal with, but all of what they require are also in very, very small quantities. And most of these smaller islands will have very limited storage space and terminal facilities. So that what you will

find is that there is frequent movement of cargo to all of these islands, but Paria has available to it a specialized shipping and multi-port logistics to support the multi-product, small parcel sizes.

And I want to tell you that last week when we were at the COTED meeting, we would have made an approach to be able to bring in these refined products tariff free, and that concession was granted for all but one of the products, but it was also granted to all of the other countries, but what it means for us is that we are now going to go out there and act on a very commercial basis to market the products.

Of course, I think—and the Minister of Energy and Energy Industries could correct me, but I think that over the more than 100 years of being in the business, I am sure that we understand very well who the major traders are and so on. I am sure that we have been in communication with them. We have already brought in the early shipments and so on, and I every faith that we would be able market ourselves to the region and this supply to the region would be, in fact, a very profitable one.

So again, Paria's mandate will be crude handling and loading, product trading and marketing, delivery distribution, bunkering, leasing opportunities. And the products which they will trade in, are: motor gasoline, kerosene, gas oil and diesel, bunker fuel oil services, storage and handling of crude oil and products, marketing and trading and bunkering and so on.

The storage and delivery facilities at Paria are second to none and there are vessels that can handle up 120,000 tonnes, and currently they have the ability to handle approximately 70 vessels per month. There are seven berths that can

accommodate multiple loadings and discharge and so on, and refine product storage capacity in excess of 3 MMB within independent loading and discharge systems.

So, I am saying, I say all of this to say that the planning has been done, the activity has started, and we are well poised, Paria Fuel Trading Company Limited will be a profitable entity and so on. There is security of supply, there are even growth opportunities in terms of leasing additional tankage and, of course, looking at expanding the bunker business and so on.

So, the point about Mike Wiley was addressed by the Minister of Energy and Energy Industries. I want to say that he is the right man for the job, I will tell you from the perspective, again. Yes, we are nationalistic. This is global business, you have to understand what we have gotten into, and this is a man who has considerable experience at all levels. He is an engineer by profession, I actually looked at his CV, and he has just come from a company called Cairn India Limited where he was responsible for managing the technical and operations group for drilling and petroleum engineering and geoscience.

He was also the president of Cascade Petroleum in the greater Denver area. He has enormous experience, and that is what we need at this time. I am not saying that perhaps eventually a national cannot do the job that is required, but at this time this is what we require. We went out into the international market, and I think that we—I trust that the board has made a very good choice, and we are well on our way under Mr. Wiley's guidance.

### **PROCEDURAL MOTION**

**Mr. Vice-President:** Leader of Government Business.

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Thank you very much, Mr. Vice-President. Mr. Vice-President, in accordance with Standing Order 14(5), I beg to move that the Senate continue to sit until the completion of the business at hand.

*Question put.*

**Sen. Mark:** Before you put the question, Sir, including two matters on the Motion for the adjournment, could I ask?

**Mr. Vice-President:** Leader of Government Business.

**Sen. The Hon. F. Khan:** That includes the business at hand.

**Mr. Vice-President:** So, I will put the question again.

*Question put and agreed to.*

**MISCELLANEOUS PROVISIONS (HERITAGE PETROLEUM, PARIA  
FUEL TRADING AND GUARACARA REFINING VESTING) BILL, 2018**

**Mr. Vice-President:** Minister.

**Sen. The Hon. P. Gopee-Scoon:** So, I was speaking about the suitability of the Chief Executive Officer, Mr. Wiley. And just to finish that point that he is really a top exploration executive in the US, he was. And I sought to look at the salary ranges for such persons in the US, and I want to say that typically what has been offered to him, and what has been given to him, really is well between the range that one expects for someone of his calibre, and who has the kind of job description which he has to take the company forward.

Generally, and I am not going to go much longer, but at the end of the day, what we have before us, the primary core purpose and objective of this group of companies really has not changed, from the point of view that the core purpose is to monetize this country's crude resources. That has always been so, and that



remains so but, of course—what do I want to say?—the business model is what has changed. And what was necessary to be changed as well—and their core purpose is also to give a fair return to its shareholders.

Petrotrin in its previous incarnation was not in a position to do that, as I said, they were owing something like \$3.4 billion to the people of this country in the form of taxes and royalties. But as a core purpose, to monetize their assets, to give a fair return to the shareholders in the form of royalties and taxes, and to generally make a contribution to society.

So all in all, there are opportunities there for many of the staff members who had been employed in the old Petrotrin. There are opportunities there. All of the advertisements for employment would have been out in the public domain. Many persons would have applied, and the persons with the right skills—and this has been such a mammoth task, the persons with the right skills will have an opportunity, once again, to serve with diligence, to ensure that this is going to be a profitable entity.

Generally, this industry change, this shake up might have appeared troubled maybe three months ago, six months ago or so, but I want to assure everyone that if they listen to us and they pay attention to all that has been communicated to them, there is a bright future ahead. With the right strategies in place and a correct business model, there is a bright future ahead, and this is nothing abnormal.

As I said, whatever the business type, strategy is important and recognizing when your business model needs to change; very, very important.

Only yesterday, I would have been at the opening of the tenth Pennywise store and fifth pharmacy. And what that was about?—their core purpose did not

change, which is to provide personal care products to the population at a reasonable price. So their purpose and core business did not change, but their strategies have not changed, but have been extended, in other words, there are new strategies, and that is what companies have to do regardless of what business you are in, completely rethink and look at new strategies.

And their new strategy when they opened that store at Long Circular, was to move from, not to move away, but to enter the market in the north-western part of Trinidad and Tobago. It is just strategy, continue rethinking, looking for ways and means of improving your business. And it really would have been imprudent of us to continue in the same mode that we were operating for the sake of jobs. Yes, jobs, but not at the cost to the population; not with the humongous debt of, I think it is \$13 billion I said; not requiring the \$25 billion to be pumped in, when that \$25 billion could be spent on other things, hospitals and roads and so on. And there are many other projects where jobs will be created and particularly in the south land, Mr. Vice-President. So this is all about competitiveness, sustainability, strategy, the right business model, reinventing yourselves, it is about leadership.

And finally, what I think we have done makes financial sense, and with the right technology, as I said and so on, and the right decisions, right persons and so on, I think that, again, the future is bright.

I want to thank you for this intervention, Mr. Vice-President. Thank you very much. [*Desk thumping*]

**Mr. Vice-President:** Before I call on the next speaker, just permit me to joint with the Minister of Trade and Industry in congratulating Sen. Teemal on his maiden contribution in the Senate. [*Desk thumping*]

**Mr. Vice-President:** Sen. Ameen. [*Desk thumping*]

**Sen. Khadijah Ameen:** Thank you very much, Mr. Vice-President. As I begin my contribution on this Bill entitled:

“An Act to vest certain assets of the Petroleum Company of Trinidad and Tobago...in Heritage Petroleum Company Limited, Paria Fuel Trading Company Limited...Guaracara Refining Company Limited...”

—I begin by acknowledging today, November 20<sup>th</sup>, as the United Nations day, Universal Children’s Day. And it was mentioned by other Members, and on behalf of the Opposition Bench, I want to acknowledge the value of our children in our nation, and certainly the value of having a universal day for children as designated by the United Nations. [*Desk thumping*]

And I see several Members on the opposite Bench wearing blue today in acknowledgment of the day, of Universal Children’s Day. And it is ironic, Mr. Vice-President, because we are debating a Bill in which the Government has essentially or is essentially attempting to or, in fact, because it is a simple majority that is required, we are debating a Bill that will destroy the patrimony of the children of Trinidad and Tobago. [*Desk thumping*] So, while it is all well and good to wear blue or wear red and wear red, white and black, that does not signify your dedication to the children of the nation, or wearing red does not signal your dedication to patriotism to Trinidad and Tobago.

Mr. Vice-President, the closure of Petrotrin can now be added to a long list of broken promises, and reasons for this population not to trust the present Government.

I heard Members today repeating what Members of the Government have

been saying with regard to the profitability of Petrotrin, with regard to the review and their intention as though they had no choice in this matter.

The speaker before me even mentioned the Solomon Report, the McKinsey Report, there was the Lashley Report as well. And again, I am asking and we continue to ask from the Opposition Bench: Which one of those reports or which report anywhere else recommended the closure of Petrotrin? [*Desk thumping*]

So, you come to the nation as though your back is against the wall, when the truth is that those reports gave recommendations on how to get things right, and no efforts were made to do that. And the decision was a political decision to shut down Petrotrin, and to dismantle the union, and to disempower the people of that sector.

Mr. Vice-President, before this whole scenario, the Prime Minister, the hon. Prime Minister on more than one occasion, on political platforms and to the media when asked, said that Petrotrin will not be shutdown. Today, they have replaced the word “shutdown”, but quite frankly it is really the same thing. And I want to mention, Mr. Vice-President, today they are coming to us to say listen, we had no choice; and now because of their decision, thousands are jobless.

Months ago when this whole Petrotrin restructuring issue began, the Opposition signalled a warning to employees of TSTT, to T&TEC, WASA, be careful, you may be next. And the Government accuses us of fear-mongering. But just a few days ago a letter to the Secretary General of the Communication Workers' Union, Mr. Clyde Elder, was published in the newspaper, where the Government indicated its intention to restructure TSTT. And it included, that letter included a list of jobs that would be made redundant consequent to the

implementation of a new structure. You know what that means?—more job losses, more people being fired by this PNM Government, just in time for Christmas.

So, while they continue every time we raise these issues to try to make the public discredit the Opposition, the truth will eventually come to light, and that is what is happening. The Minister of Public Utilities, if he—well, I am sure we will discuss the TSTT promises on another occasion.

But, Mr. Vice-President, in my contribution I want go in a slightly different direction. Many of the arguments in the public domain usually surround the legal matters, the formation of the company, the legality of the actions of the Government or the illegality of those actions. People talk, bring arguments around the economy, the implication on the national economy, the cost of this mothballing or shutting down of Petrotrin. We talk about energy management, energy industry and, of course, we cannot talk about this situation without talking about the deception of the population by the Government.

But, Mr. Vice-President, the care of human life and the well-being of citizens are the ultimate objects of a good government. A good government is one of the most important factors in economic growth and social well-being. And by this standard, Mr. Vice-President, the PNM is not a good Government. [*Desk thumping*]

I want to talk about people, about the social well-being of our citizens, and in my contribution I intend to examine the social implications of the Bill before us, and what the—and in this regard I will touch on health and medical well-being as it pertains to the Petrotrin—the vesting of the company and the employees, education and the education facilities that fall within the Petrotrin assets that will also be

vested. Housing and land regularization, while some of it was touched on by my colleagues, I want to go into a different perspective. Unemployment, the effect on the local and informal economy that I do not think that anyone has mentioned.

And of course, as a person coming from local government, I also want to touch on some concerns that I encountered during my time as a local government rep, that you may not think could be linked to the closure of Petrotrin.

Mr. Vice-President, with regard to education. There are three schools on the Petrotrin lands which were maintained by Petrotrin, and I intended to ask, Mr. Vice-President, of the Government's intention with regard to the management of those schools, the continued maintenance of the grounds, the status of the St. Peter's Private Primary School and the gymnasium and so on, and there is the Beach Camp Private School as well, which is mainly attended by children of employees of Petrotrin, and paid for by the company.

But the time when—since that, I would have had glance of this document that is the note for Cabinet mentioned by my colleague Sen. Ramdeen. And I did take the opportunity to peruse some of the—well, the schedule attached which, from my understanding, indicates the properties that will remain vested in Petrotrin. And the St. Peter's School, the gymnasium, the Anglican Church and so on, those remain vested in Petrotrin. And this is something I want us to just put a little flag by, because these are educational institutions, and we have to ask ourselves: What will remain the business of Petrotrin?

If you are leaving it as a shell company, you have all these properties that will remain vested in Petrotrin, what will be the role of the new Petrotrin in going forward? And I think we have to make a firm decision with regard to the school,

the education institutions, and later on I want to talk about some other training facilities and training programmes.

Mr. Vice-President, one of the other properties that is to remain in Petrotrin, the new Petrotrin, is the Augustus Long Hospital and its grounds. So, are we to assume then, Mr. Vice-President, that the staff will be retained? What is the plan for this hospital and the other health facilities? There are at least three health facilities on Petrotrin lands. This hospital, I know in the other place it was suggested that this is a small facility. It is a 49-bed facility, and there are so many other hospitals in Trinidad and Tobago that could pick up the slack. And it sounded as though the Government intended to stop all operations at that Augustus Long Hospital.

Yes, it is a 49-bed facility, it is fairly small. It is a very well-established facility, and it does have some aged infrastructure, but in 2013, that Augustus Long Hospital underwent significant upgrades at a considerable cost to Petrotrin, and this refurbishment included a new operating theatre and a modern high-dependency unit. This medical facility, in my view, should be included in a restructuring plan to maintain Petrotrin's commitment to its employees, its retirees and its families, and to avoid the existing medical staff there from having to lose their jobs.

So the Government has not indicated their clear intention with that hospital, but from just judging from the gist of the comments made, particularly by the Prime Minister in the other place on this matter, it sounded as though they had no intention of continuing the operation, and I want to beg them to reconsider that.

That hospital is very well placed geographically to be a leading provider for

additional clinical services, as well as to become a leader in industrial medical care, and emergency medical care for any sort of industrial injuries or accidents within that Point Fortin, Pointe-a-Pierre industrialized area. And even more so, since the Government has refused to open the Couva children's hospital that is also in that vicinity, that has a significant capacity.

**8.00 p.m.**

Mr. Vice-President, I want to move to a matter which was mentioned by one of my colleagues that has to do with the demolition of squatters in Santa Flora. The People's National Movement has always had a very callous approach to squatters, and squatter regularization has not been a thing that they have really pursued with any vigour.

The report in the newspaper and in the news with regard to the demolition, which was mentioned by my colleague, Sen. Obika, indicated that the persons whose homes were demolished, one of the persons interviewed is actually a fired employee, that the persons indicated a willingness to purchase the lands which they occupy for between 10 and 15 years, and the irony is that one of the newspaper articles said that attempts to contact Petrotrin were futile. You know, "people geh fired, man". So, I do not know who they were expecting to respond from Petrotrin. I do not know if the board would be responding to this matter, but I think it is worthy of the Government's attention.

And more so, because you are dealing with lands vested in Petrotrin that are occupied not only by shacks and chattel homes, if you want to call it that. Not "squatters" in the vile sense that the Government is trying to portray. But the fact is that many of the parcels of lands invested in Petrotrin over the past few decades



have been occupied by people's homes, by schools, by health centres, by supermarkets, food places, roads that have become public roadways, many churches as well—well churches, mosques, temples, you have different religious places of worship, offices, even private/commercial buildings as well as government offices. And I take this opportunity to call on the Government to immediately cease demolition, and to take a more humane approach in dealing with the land occupation on Petrotrin lands.

The land issue must be regularized and sorted before you take that approach because what is good for one has to be good for all. And if the Government has to take a strict approach with demolishing structures that did not get approval that are on Petrotrin lands you will be in for some serious, serious legal challenge. So the unfortunate thing is that the poor man “does get it first”. And the family who has a board house that is easy to demolish with a tractor is the one who “does get it first”. And those families, those five families, I call on the Government to treat with the relocation and proper housing of those families and provide them with accommodation and an option, if the lands are available or other lands are available, for them to be properly relocated.

Mr. Vice-President, I also want to mention, as I speak of the situation with this former employee with regard to the land regularization, there are other matters concerning the welfare and well-being of former employees that require the urgent attention of the Government while they are doing this—while they consider this Bill to vest the assets of Petrotrin into these three companies. The medical plan for the employees, Mr. Vice-President, there is a new proposed plan that is supposed to cover the workers for a period of 24 months. I think it is a Sagicor plan. I do

not know how they determine, how they selected Sagicor or whatever, but the fact is that when these employees and their families, their spouses—and even retirees of Petrotrin—they would be invited to join a new plan after that period expires. Right? But these persons, the employees as well as their dependants, when they went in to become—when they became employees, and they became a part of these medical plans, they expected coverage for the rest of their life. And, as a result, they would not have had the need to have any other medical plans outside of the one provided by the company.

Now that you have this unforeseen shutdown of the company, and you have this situation where they are going on a plan that will expire in 24 months, many of those employees, and particularly the elderly ones and the retirees, would be without medical insurance. And even if they can get insurance externally, the premiums would be very exorbitant due to their age, and, of course, some of them would have developed medical conditions and so on that would increase their premium. We have to consider that these promises, these arrangements that were made to cover employees, you have to find alternative arrangements to humanely treat with these going forward.

The same applies—something very similar applies to the pension plan that was mentioned by the hon. Minister of Energy and Energy Industries. During the question, during the response to a question earlier in the session, the hon. Minister indicated more or less that the pension plan would mature by virtue of early retirement of the employee. In today's *Guardian*, however, there is an article by Renuka Singh where Republic Bank is saying that the Petrotrin plan is not fully funded.

**Sen. Khan:** I answered that.

**Sen. K. Ameen:** Mr. Vice-President, the Republic Bank, who are trustees of the Petrotrin employee pension plan has expressed concern over the company's attempt to change the provisions of the plan as it is winding down. And they indicated that if the plan had been wound up, benefits to all the pensioners would be secure in full, but only 60 per cent of the benefits for non-pensioners would be secure.

So that it would require—and, Mr. Vice-President, again, if you had the management and the board of Petrotrin taking these things into consideration, speaking to their partners, speaking to Republic Bank as the trustee for their employee pension plan, they could have made a better plan going forward. And this article, which is based on a letter from Republic Bank to Petrotrin, is a result of no planning, no consultation and no care for the employees. Again, a very callous move, and it could be out of neglect, but it really shows callousness in terms of the treatment of the employees.

Another area that I want to touch on has to do with, again, the welfare of employees. Mr. Vice-President, it is often a sign of personal success and progress in your life if you become a home owner, or when you become a home owner. Many workers who would have been earning enough to enter into a mortgage, in some cases you have two persons in the household who were employees of Petrotrin; if you have one, it is the main breadwinner. In the recent flooding you had many HDC homes where occupiers had mortgages. They were granted a moratorium for—

**Hon. Senator:** A deferral.

**Sen. K. Ameen:** It was just a two-month deferral something. It was a “lil mamaguy” in my opinion. But, the fact is that such an arrangement can be made. And I think that the Government should be considering or should be making an offer for employees of Petrotrin who are engaged in—who are in mortgage arrangements, to have some type of arrangement made for them to include the State and their financial institutions to give them a little space—to provide them with a space of, if it is at least two years or so.

So, for example, if it is agreed that they have a period of two years, where they would not have to make the mortgage payments—of course, they would make it later on at the end of the mortgage—but, if they become meaningfully employed before that, they can resume. But, the Government, I think, in my opinion, should be able to engage with the state financial institutions and private financial institutions to find ways to provide families with support, so that families would not have to sell their homes. I personally know couples who are both well qualified and who because they—unless they find a job that provides that type of income, within the next few months, they may have to sell their homes, and no one of us would want to be in a position to have to lose our homes.

I also want to touch on, Mr. Vice-President, there are many, just as I mentioned earlier, the fact that there are many structures on Petrotrin land, this also extends to small businesses and small commercial ventures. It happens in every municipality, where somebody would come, they start off vending on a table, and then they put up a tent, and then they “cast a lil hole” and put the tent, and before you know it they have a shed, and then they put up some blocks around the shed and they end up in a building. Then there are many commercial ventures that start

off like this, a very small venture—might be a lady selling pies, or a man selling snow cone, but it grows, and the business grows. There are many structures like these on Petrotrin property. And it is not only the structure that has to be dealt with. Because the fact is that the local economy, in the areas that housed Petrotrin activities, and you had so many workers and so on, will be virtually destroyed. And this, of course, means that there are a number of households that would be indirectly affected by the closure of Petrotrin. People who were not employees of Petrotrin, but who were employees of small businesses—the roti lady, the people who provide—well let me just say, the food industry on a whole, the people who provided meals, people who provided tools and so on, and other small contractors. And you also had, I think, you have a number of women, single mothers who are female breadwinners, who will be negatively affected. My question is, you have started to break down people—their structures, rather, on Petrotrin land, and where would those people stand?

Mr. Vice-President, there is an issue with regard to the—there are so many organizations that have been over the years either fully sponsored, or partially sponsored by Petrotrin, that have contributed to the development of those communities—what Petrotrin calls their fence-line communities. I do not need to read out the list. But, Mr. Vice-President, my concern on the social impact of—well first of all, we do not know if these sponsorships will remain in place. Certainly, I am sure they will be affected in some way negatively, if not to stop completely.

My concern is that the young people who play in the pan, the steel pan, the people who are involved in all the other cultural assets, the tassa groups, the La

Reine Rive, and all the other things, calypso competitions, village councils, schools, even, who get the sponsorship. My concern is that the young people, in particular, but the people in general, that the impact of not having those activities, not having those organizations to constructively engage them, could lead to them—the idle hands; the devil’s workshop—could lead to social ills. I do not want to say crime. I do not want to just go off on crime, but crime is one of the social ills that could result if you have discontinuance of these opportunities where—these social ills. I intend to go a little more into that when we deal with the Motion. We have a Motion coming up. So, next week, on Private Members’ Motion I intend to go a little more into that.

However, I want to touch on education and training. The Minister of Energy and Energy Industries spoke, in his contribution, spoke highly about Petrotrin in regard to its training, indirectly. He said that a person who has trained in Trinidad and Tobago’s petroleum industry is marketable in any part of the world because they are well trained. And, training and development is a big part of Petrotrin’s development component. In addition to that, you also had sponsorship of the Global Young Leaders conference. You had the—their programme, Petrotrin themselves had a Graduate Trainee Programme, a Craft Apprenticeship Programme, Refinery Operator Apprenticeship Programmes. At these programmes, the training of these, not only this specific training but training in general, in the petroleum industry—which one of these companies is going to pick up that responsibility? What will be the impact on the development skills within the national community? And, of course, our human resource capital, and our ability to export talent? That is something that I think we have to address if we

want to continue to boast about Trinidad and Tobago and about our skills in that industry.

Mr. Vice-President, as we speak of vesting lands into these other companies, I want to mention an experience that I had as chairman of Tunapuna/ Piarco Regional Corporation. The Orange Grove Estate, which was part of the Caroni (1975) Limited, is essentially the area south of the Churchill Roosevelt Highway, and if you are travelling towards the airport, it is the area opposite the Trincity Mall, where Blue Waters and so on is. After the closure of Caroni (1975) Limited, that land had essentially been abandoned. The lands were vested into the special-purpose companies under the previous PNM administration, and when we came into Government, when the UNC came into Government in 2010, shortly after there was a change, there was a local government election and the UNC won about nine or so of the corporations, and Tunapuna/Piarco was one.

We were experiencing a lot of flooding in the Trincity Mall, a lot of flooding in the Orange Grove development north of the highway, and a lot of flooding generally north of the Churchill Roosevelt Highway, and there were so many people who were saying, “Chairman, all yuh need to break the cylinders under the highway, you need to widen the bridge.” And, together with the Minister of Works—well, it was Works and Local Government at that time, Dr. Rambachan, all the regional corporations embarked on a stringent programme to clear these watercourses that had been neglected for, well, quite some time. More than a decade. And, just clearing those earthen watercourses to take the water away from the built-up areas meant that we had no flood after that for at least two or three years. And maybe the present Minister of Works and Transport could take some

notes. But we have had—since then we have had neglect of those watercourses again, and we are seeing flooding in some of those areas.

But, Mr. Vice-President, my concern, I raise this because my concern is that many of these lands that are maintained by Petrotrin where they would take responsibility for clearing watercourses for example, catchment areas and any infrastructure related to irrigation, if that maintenance programme is no longer continued, even if the lands are vested in a special-purpose company, if they do not have a rigorous maintenance programme you would end up with dramatic increases in flooding. And particularly at this time where we are seeing so much rainfall, and we are already seeing so many areas being flooded, I am concerned with regard to the discontinuance of the Petrotrin maintenance system on those watercourses in those areas, and the question is whether the Ministry of Works and Transport has any plans, whether the Ministry of Local Government has any plans to pick up the slack there.

Mr. Vice-President, you know, I was really looking forward to the contribution of the Minister of Trade and Industry because I felt so many of these matters with regard to Petrotrin would be of interest to that Ministry, and I particularly thought that I would have heard about the price to import refined fuel. I think this is a question that remains on the lips of many people in Trinidad and Tobago, and it remains unanswered by this Government yet to date. Even in the other place, even in the media, it seems as though the Members of the Government are deliberately avoiding this question. And this is because the answer would either reveal a truth or a lie. The answer would hold them accountable to what they have been saying. They are talking about Petrotrin running at a loss and that



all of these things are going to magically run at a profit, I suppose, but the fact is that you have to be a little more transparent with the people of Trinidad and Tobago.

I want to endorse these two Members on the Independent Bench who asked about further information—where is your business plan? You speak about your business model changing, but the fact is you have not really brought forward a plan to the nation. I do not even think you even have a plan for yourself. And this is not the first instance where the PNM does not have a plan. So, I am not surprised. But, Mr. Vice-President, you know I was a little taken aback. The speaker before me got a little emotional about a matter—

**Mr. Vice-President:** Senator, you have five more minutes.

**Sen. K. Ameen:** Thank you. Mr. Vice-President, I just pulled up an article, and it is a *Newsday* article dated the 12<sup>th</sup> of January, 2013, and the title is:

“Judge throws out Paula

Opposition...(PNM) Point Fortin MP Paula Gopee-Scoon has been ordered by a High Court judge to vacate a bungalow owned by State-entity Petrotrin at Clifton Hill...”

And I just want to read the last part pertaining to the judgment.

“Mi'lud, when one looks at the matter there is no defence. Political patronage is not a defence.”

This was one of the attorneys, Mr. Deonarine, in the court.

“Political patronage is not a defence...”

Justice Kokaram allowed both sides to discuss the matter and an agreement was reached which the judge ratified into an Order, that: Gopee-Scoon

deliver vacant possession of the premises situated at Bungalow No...”—  
what, what, what—“Point Fortin”—and so on.

This judgment was five years ago, February 14, 2013. Five years later, still  
kicking and screaming—

**Sen. Gopee-Scoon:** It is in such a dilapidated state, you all—

**Sen. K. Ameen:** The Member of—

**Sen. Obika:** “Yuh strike a chord dey, Saddam.”

**Sen. K. Ameen:** The speaker before me, the hon. Minister, is standing here today  
in the Parliament, in the Senate of Trinidad and Tobago, speaking—  
[*Interruption*]  
—well, she clearly disagrees with the judgment. But this was five  
years ago. “It was due to me. It was due to me.” [*Crosstalk*] You should have  
appealed the decision. But the fact is, I have to go on the facts here. Right?  
[*Crosstalk*] Mr. Vice-President—

**Mr. Vice-President:** I understand that—as much as I understand that, that  
particular line of reasoning did come up as per a contribution, I am trying to find  
out exactly where you are going with it.

**Sen. K. Ameen:** Yes.

**Mr. Vice-President:** Just quickly. Do not take too long.

**Sen. K. Ameen:** Thank you. Very quickly because I only have a few more  
minutes.

Now, Mr. Vice-President, I looked at the reaction of the Minister, the hon.  
Minister, when she spoke before me, when she was speaking about, “it was due to  
me, it was due to me”, and I wonder if the reaction of the Minister to the people  
whose homes were demolished in Santa Flora last night was the same. [*Desk*

*thumping*] So, Mr. Vice-President, when you are vesting lands and you are deciding to make judgments against people who build homes and who are trying to eke out a living in some cases, just put yourself in the position.

And you know what, ironically the gentleman from Santa Flora on the television on the story on CNC3, he was saying something very similar. He also feels that the lands in Santa Flora are due to him. So I hope that you could influence—I hope that the hon. Minister could influence her Cabinet to take a humane approach to the decision with regard to the lands, and not be breaking down people's houses in such a callous manner. Thank you, Mr. Vice-President.

*[Desk thumping]*

**Sen. Dr. Varma Deyalsingh:** Thank you, Vice-President, for giving me the opportunity to speak on this Miscellaneous Provisions Bill. First, I would like to say I should be brief because most of the contribution I had was already mentioned by Members on the Independent Bench, Opposition on the other side. So, I would just try to be brief. What I must say is that I thought it was a simple thing really to be transferring the assets from Petrotrin to Heritage, seeing that it was done before from Trinmar and Trintoc. The transferring of the assets was there. But the Opposition brought up some points about the land and land ownership which, I think, the Government will now be forced to look at and address those issues.

So, very briefly I would want to say that we were already notified that it was the Universal Children's Day, and I saw people on the other side, and myself, some of us are wearing blue in commemoration of that day. And even yesterday, I may mention, it was the International Men's Day. So, we have two days in sync, one after the other, and it is important points, because you have men and you have

children, and in the issue of Petrotrin, men who lose their jobs they tend to feel emasculated. You may have a job loss, you cannot tend to your children, your kids, and that in itself is a lot of distress that these persons will have. And we are seeing that. We saw it in the Mittal case where even when there was job loss somebody allegedly committed suicide. It actually stated that was due to the fallout that they had from their job loss.

So, looking at the issue, looking at this Bill, I wanted to look at three issues mainly: the social fallout that we would have had from the closure, or not so closure, the transfer of certain services from Petrotrin to Heritage, also the hiring practices and the accountability and transparency which Sen. Vieira spoke about, and also Sen. Teemal spoke about, the accountability and transparency.

Looking at the Lashley Report, it is about 5,322 persons I think would have been affected by this closure of Petrotrin. And even we had other figures, up to 9,000 that I think OWTU had put out for the other contractors out there. You would have a greater degree of personnel affected. So we have to factor that in any case where there is going to be any sort of a job loss, any sort of a closure, we are going to have that fallout from the people, we are going to see a greater amount of persons having distress, depression, adjustment problems dealing with these issues. And we have to factor that into any sort of plans that we give.

The issue of the problems that persons face. Now, the Ministry of Social Development and Family Services would have had certain programmes in place. There are a lot of programmes in place and we commend you for that, and even labour would have had programmes in place to try to see if we can get those persons who have been retrenched or who have been fired, those persons to come

in to a retraining programme. But we are still—we have to realize, eh, we will be missing certain persons who are out there, who have been with a job loss and who will be home and not even coming out, not even seeking treatment, not even seeking help, not even seeking services. Because this is how depression comes in in society. And with job loss we have increased—

**Mr. Vice-President:** Senator. Hon. Senators, due to the number of speakers remaining, and the extent of business yet to be completed, I think now is a good time to take a break for some rest and refreshment for about half an hour. So that this House would now stand suspended for half an hour until 9.00 p.m.

**8.30 p.m.:** *Senate suspended.*

**9.00p.m.:** *Sitting resumed.*

**Mr. Vice-President:** Sen. Deyalsingh, you have 26 minutes left. [*Desk thumping*]

**Sen. Dr. V. Deyalsingh:** Thank you, Mr. Vice-President, and I would like to continue the contribution where I actually elaborated that I was looking at the social ills, the social fallout that would have come about with the job loss, that, you know, would occur, not affecting just the individual, but the family and also the trickle effect or what you may call the—you get a sort of whirlpool effect, where around that individual, their relatives, their jobs and other contractors out there would also be affected by this social fallout. But as any caring Government we have seen certain measures in place, and I am proud to know that—I have known persons who have actually reached out to social services and have gotten some sort of relief and also retraining job-wise, some persons have reached.

Also, good things are happening but there is still a gap where we are missing persons and we have to know how are we going to get that gap? How are we

going to get an individual who has lost their job and not seeking that help. That individual is at home. So what I am suggesting, we are probably, it is our duty to see if we could reach out to that person, to try to get that person to see if that person could come in. And my suggestion is, there needs to be a tie-in with the unions and probably a tie-in with some social workers who are employed by Petrotrin where they can actually go to these individuals, track them and see if there are any sort of mental problems, if there is any sort of depression and see if their relatives are seeing if there is any increased risk of alcoholism, or domestic violence which also occurs when you have job loss affecting.

Now, Sen. Ameen actually mentioned something I wanted to speak about also—the Augustus Long Hospital. And this hospital, I must say, it caters for—it is a 50-bed hospital and there is excellent surgery that actually, surgical cases and surgery that is done there, and it actually offers a brilliant service. People who have accessed it, there is a lot of good that comes out of that. You hear good news, you hear people have been saying that—praises, singing praises for this institution. But you see, it is not just the Augustus Long Hospital. With that hospital there are seven medical centres attached to it; Point Fortin, Pointe-a-Pierre, Penal, Santa Flora, Fyzabad, Guayaguayare and also there is the Trinmar Marine Base. And all these cater to members, you know, living in those communities also.

So we need to factor in, if that hospital is not able to afford medical care to those personnel, those persons now will have to go elsewhere and this could put a strain on our existing health system. We need to factor in persons who are already in the system and who would have had surgery booked. I think it is unfair to just leave those persons hanging and say, well, look, you had a surgery booked for next

month, sorry you are no longer with us again, we leave you hanging. We have to factor that in, that human element, that human feeling to see if we could finish certain promises we have given to medical care for certain personnel.

So, I would like to look at something that, you know, we have to appreciate that outside, people are looking at what is happening to this Bill. People are looking at, here again we are now trying to see if we can create an entity and if that entity will be able to be financially viable. Because we would not want to create an entity that five years down the line, 10 years down the line, it turns the same sort of financial monster that was created, I want to put it, with Petrotrin.

Now, we have seen the blame game occurring, the Opposition, the Government would blame each other. Each of them would have been blaming certain personnel who were on the boards of Petrotrin and each side trying to, probably that is the game of politics, where this one would blame this board appointed by another Government. But what I am saying is persons who look on, persons on the outside, with this blame game I think it is really a disgraceful state of affairs that was allowed to reach this level. And I do not think we can probably blame one administration or another administration. We probably may have to blame both and we may also have to blame the failures of successive boards to stop that problem from occurring.

So the average citizens out there may feel cheated, they may feel exhausted when they hear allegations of corruption. So they may be looking at the allegations of corruption, people are suffering and they are seeing allegations going both ways and the Prime Minister actually recently mentioned about false emails. We may be seeing emails, we do not know what is true, what is not true. But all

that is an ongoing problem where the persons in the country, they are under stress and when they are seeing these things coming out, when they are hearing these allegations there is a greater level of distress among our population. And I am thinking that if we are going to undergo the major undertaking to anoint Heritage in place of Petrotrin we need to reassure the population that Heritage would not go the way of Petrotrin.

We need to also have a duty to put systems in place and as Sen. Vieira was looking at, the systems he was looking at, transparency, accountability. Sen. Teemal also mentioned about having, I think you are giving the Government a month to have certain aspects in place where we could look at any sort of public misuse of funds, or you know, and I think there is a need to have a monitoring system in place so the public could have confidence, the public could look at this new company, the public could say there is a cap on spending that there is a progressive report that is public. Also, I guess the sub-committee on energy would have to be there and be giving reports to the members of the public who would say, you know, here we are, we are now giving you another entity but we need that entity to show that it is progressing, to show that it is there, it is not going into any sort of red.

So we have to limit the state enterprise from depending on the Treasury as was done before. So we need to put in laws and practices in place to protect the public purse from corrupt public officials who have actually—poor management systems. And also we have to have a transparent—some sort of transparent mechanism in place where we could look and see what is going on there. The management of this new entity or the management of the three new bodies, we



may need to look at those management systems and may sure they are working well.

So I do not think, you know, looking at those personnel now, I want to look at the hiring practices. It has been mentioned that certain persons may be on the three boards, so we have to appeal to the public that we are doing something that is transparent, we have been having hiring practices as above board that no one will be able to look at.

And I am saying if persons who have been in a company that has not done well, a company that has shown losses, I am saying probably those persons, if they are hired over they should take a cut in salary or probably even any sort of bonus, you know, that probably they would have been gaining, hold that until the company has started to show some sort of financial success. I also looked at the salary of the CEO as was mentioned, and again, when I first read it, it brought a— it was a bitter pill to swallow that here you are, persons do not even have the money to go and buy bread on a weekly basis, a daily basis. Yes, certain people are really in that level of poverty or coming on the breadline and the salary of the CEO when it struck me, I was taken aback. But then when I looked at, you know, it is really an undertaking that was taken by a company and it is really, probably, a salary that it is first-world hiring practice, a CEO. It comes like, you are hiring the CEO, the standards are there, it is probably international standards, we have to try to attract the best CEO to try to run this company. So I understand that. And I understand that you know, the hiring of a CEO should not just be seen as a financial service. It should also take the factor into account but the emotional state of the person. So persons may see that and feel a little offended. Persons may see

that and say, look at that salary that man is going to get.

And we have been getting reports, some people may not like it, even though the explanation is, it is a salary and standard with running a financial company like Petrotrin or Heritage to be. So, I am saying his salary also should be taken into account where it may have been negotiated at a lower salary and probably a rise in salary once that company can show some sort of financial success.

So these are factors I think we have to take into account when we are dealing with the, not just job losses, but we are dealing with the emotions of persons. We do not want an angry population out there who may want to vent, who may want to take it out on officials. So we have to factor those feelings and emotions in when we are having hiring practices. We have to factor in certain things in place where they would say that new entities we have now put checks and balances to make it run efficiently.

I mean, we just have to look at the history of Caroni. When Caroni actually was closed down, there was also a plan in place there for Caroni and there was a working document where the union at the time had proposals to actually make it and split it up and have it just as a holding company, just as the plan for—that was in this Bill here. And it was over 10,000 jobs that were affected and again you look at the 10,000 jobs and probably again you look at the trickle effect that will extend from that. But again, people in Caroni, they survived.

So I am saying even some job losses in Petrotrin, they will survive if they have the financial support from the social services. If they have the support of retraining and know that we are there—those workers are probably fortunate that there are still jobs that may be offered to them when these three companies come

Sen. Dr. Deyalsingh (cont'd)

on board. So there is some hope, there is some hope for some of these workers, and I am happy that that would be afforded to them.

But what I will say in closing, that given the financial dilemma that Petrotrin has found itself in, I think the Government had no choice to do what they had to do and what I am saying—now, seeing that the number of us on the Independent Bench has just showed that we have a choice; Government now has a choice, eh. They had no choice in closing down I think but now they have choice to put systems in place that could prevent the same problem from occurring in the future and probably listen to some suggestions from this side where we are asking him to give us a business plan. Thank you. [*Desk thumping*]

**Sen. Anita Haynes:** Thank you, Mr. Vice-President. I rise tonight to contribute on one of the most defining moments, I think, in our history and definitely in my time in this Parliament. I listened intently to all the contributions so far and I would just like to say very early on that what we have witnessed here today is, it is almost a lesson in how our political communications is evolving. And I say that because you have several persons on the Opposition Bench, on the Independent Bench, persons outside, who are asking for more information, what is happening, what are the details, give us the details, and you have a Government that insists at all ends, that they have been completely forthright and that they have given us all the information and that we know all of the details and that we should be comfortable with this decision, this decision that we are being asked to participate in here today.

And the Government Ministers have spoken today; the Minister in the Ministry of Finance, the Minister of Energy and Energy Industries and the Minister

of Trade and Industry and they said a lot of things, but they never answered any of the questions raised by anybody in this room today. [*Desk thumping*] So what we are seeing is the provision of information by a Government, by an Executive, designed to tell a particular story in a particular way so that you can guide a population or a segment, because I do not believe they are targeting the entire population. I do believe that they are targeting a segment of the population with their consistent and persistent narrative that what they are doing, what we are being asked to do, is the right thing and is the only solution to a problem that they have never clearly defined.

We have gotten a lot of information of what the problems are, and it all boils down, I think, to a cash-flow problem. But they have said a lot of things, you know—wage bill, not enough production, and I will get into some of those details. But as I sat here today and I listened and I tried to take notes, because I knew I was speaking later in the line-up, so I said, okay, I have all of this information, we have done all of this research, somebody is going to say something that I have to respond to. I have one page and that is because while they spoke they did not say anything; they did not tell us what in this vesting Bill what we are being asked to do here today. How is that the solution to the problems that they have outlined? After we have done all of this, and the Bill will get passed because it is a simple majority. After we leave here today, after December 1<sup>st</sup> all the problems they have articulated, they will all go away? I do not think so.

And so, I say that from the onset because people are looking on at our Parliament, at what we do here and as they look on at us, as we discuss issues and we highlight issues facing the country the fact is people are looking at us to give

the solutions, the solutions to the problem. And what the Government has brought for us today is a masquerade. It is a pretend solution. You see, when this Bill is passed, it is not going to be just a simple matter of bad law and bad legislation being forced through the Houses, but it is also making a mockery of our time-honoured, democratic process and good governance that is the key to our very own survival.

And I say that because you have asked us to come here in the Senate—before they were in the House and the Bill went through there—and there have been a consistent clamouring for more details. Not the information that you are giving us, because I can guarantee you some of the speeches we heard from the Government Bench we have heard it before. We are saying you said that. Now tell us this. These are the questions we have. And the questions are blatantly ignored. I have to congratulate Sen. Ramdeen who has from the beginning of this saga been very clear on his questions, very detailed in his pursuit of information that the people of this country need and, by virtue of that Cabinet leak, it shows that people in their own Government, on their own benches are now saying enough is enough. [*Desk thumping*] We cannot continue like this.

Further to that, we have gotten information from the board of Petrotrin [*Crosstalk*] and all of this information is coming to us—[*Interruption*]—well, not the good ones, anyway—all of this information, Mr. Vice-President, is coming us because people are dissatisfied and unhappy with the way this process has continued, and we have said that from the beginning and will continue to say it. What you have done, you have done the wrong thing in the wrong way and at the wrong time. And we will continue to see the fallout. Well, actually they will

continue to see the fallout of what they have done and I expect and anticipate more leaks from all over, because the Government is collapsing or has collapsed as a matter of fact at this point. [*Desk thumping*]

And what is more worrying and frightening in this issue is that in my preparation for today I looked at the debate on the vesting Bill in 1993 and what the discourse was like then, and what stood out to me then was a former PNM administration that when they sought to do something—and I had some of the issues with some of the things that I read—but what was clear was there was an articulation that what they wanted to do was ensure maximum participation by the maximum number of persons in this country. And it was very clear, as the Minister, Ken Valley, then defined it, that what they had hoped to do was create an entity that the people of Trinidad and Tobago had some kind of interest in and that would work for us as a people. And as time goes on and as things went on, it did not work out that way.

But now we have a Government bringing a vesting Bill and at no point in time have they told us what was the overarching philosophy and what is the idea. How did you arrive at the decision to do this, what you are doing here today? And as you are doing that, as you are taking a slash and burn element, as you are locking your sights on our valuable assets and then creating this noise because—like I said, while we are asking for more details and specific details the Government has been very good in creating a lot of noise on this issue, a lot of distractions. Every day there would be somebody saying something, you would see them vacillating, you would see some flip-flopping—you are closing down the refinery, some people going home, not everybody, all these things—

And we have, I think, as a nation seen a persistent and consistent campaign by this Government to muddle an issue which, if they were committed to the principles of accountability and transparency, there would have been no problem. Nobody is saying do not restructure the company, but what we are saying is the manner in which you have done it. The way you have gone about this, that is reason for all these questions and conspiracy theories as they would like to call it. Because the fact is, Sen. Ramdeen raised the issues and Sen. Vieira had questions, all of these questions are coming at you and you are not answering them. There is the refusal to answer the questions.

And I listened to Sen. Deyalsingh who had made reference to a blame game and that we needed to look at the span, our nation's history and say, okay, maybe a lot of people have to take some responsibility here. And as he was speaking I had to pull one of my documents that I had and it is the same 1993 Petrotrin Vesting Bill. And Mr. Sudama was responding in that Bill and he said:

“Today, thanks to 32 years of PNM rule...”

—this is in 1993, eh.

“...thanks to 32 years of PNM rule, we are still dependant for the major portion of the foreign exchange reserves, for the major portion of our government revenues and, in fact”—some of—“the major stimulus to”—our—“economic activity on this one single industry. There is a failure to diversify this economy; a failure to have self-sustained growth that is not dependant on one single industry. We are today in that situation, as I said, thanks to 32 years of PNM rule.”

This is in 1993.

What has changed? Very little and I know they would come here and say, “Well, you were in charge for five years, what did you do?” And I can go through what we did. But the point is, by your own admission, the majority of the time that we have independent nation you have held the reins of power. So the question does fall to you. What have you done?

And I will go through, Mr. Vice-President, the fact that they have done a lot to get us here in this state of disarray and the Minister in the Ministry of Finance used a lot of words to create this sense of urgency that in her opening she talked about our fiscal instability and they needed to do this. And the Minister pegged 2014 as the year in which things seemed to have changed and the falling oil prices are what the Minister looked at as the reason for us being here today. And I would ask, in her wind-up, if you are really taking a holistic look at the facts and really appreciative of what is going on here, I do not think that you can admit to yourself that that is true, that 2014 everything changed and that is how we ended up here. That is a little unbelievable, Mr. Vice-President.

And I think the presentation by the Minister in the Ministry of Finance in this Bill represented another chapter in deliberate manipulation of information and secrecy that the Government has perpetrated on the people of Trinidad and Tobago with respect to what is going on with this Petroleum Company of Trinidad and Tobago. And we have come to the Parliament and the nation at large—they have come here to the Parliament and to the nation with a problem that they have created, pretending to be saviours and you have heard time and time again that this is not a political issue and that we need to look at it through a different lens.

Then you have the Minister of Trade and Industry coming here and saying,



this is about leadership of the Prime Minister, Dr. Keith Rowley and this is a demonstration of his leadership. And I was very glad the Minister said that today, because the manner in which this is being rolled out, it would not end well. And they may stumble along the way but what is happening I do hope it serves as an indictment on the leadership of Dr. Keith Rowley. [*Desk thumping*] And I do hope that when the workers who are unemployed, and the persons who stand to suffer the most from the fallout of this Petrotrin saga, I hope that they remember the words of the Minister of Trade and Industry that this was a direct result of the leadership of Dr. Keith Christopher Rowley. [*Desk thumping*]

And I think as I, again, was preparing for this debate and before—because I have spoken on Petrotrin at several instances—but, what I think stands out the most is that I have never witnessed a Government employ a deliberate communications strategy to make ordinary citizens appear to be villains. And what you had today, because you heard it again today, you had this wage bill and this problem that if we get rid of it you could get roads and hospitals and schools and all these things that they failed to provide in the last three years.

So what they are saying is, Petrotrin is the reason they have failed in the last three years to provide, to hold up their end of the governance bargain. Unbelievable, right, Mr. Vice-President? So you target people, you zone in and you said, carpenters are making \$75,000 a month. You are saying people are going home with half a million dollars at least. Everybody is rich, they are well taken care of, their children are well taken care of. Everything is good and then you have a newspaper report from October 15, 2018 by Kevon Felmine:

“Not all Petrotrin workers getting nice packages”

And I just would use two quotes from this newspaper article:

“The Prime Minister spoke of enhanced separation packages for the workers but there is nothing enhanced about this. I’ve worked for 26 years and there is nothing enhanced about what they are giving. I am married and paying a mortgage. To be honest, this can cover my loans but how will I live month to month?”

**9.30 p.m.**

“‘It was pretty surreal when we got our letters. Over the last few weeks people have been walking around like zombies because we don’t know what the future holds. It is the uncertainty that is affecting us and everyone is in a sombre mood,’ the E&P supervisor said.

‘The employees did not like the way they were treated by the company and the government. Petrotrin employees are people too and at one time, were carrying the country economically and only in the last three years the Government saw trouble. We feel that we were made to fall on the sword and bare the brunt of this restructuring’.”

So, the Government on one hand is telling us that these people do not tell the truth. So somebody is giving us inaccurate information. And I do not know what this person, who worked for 26 years who will receive his or her retrenchment letter and subsequent package, stands to gain from going to the newspapers and saying it is simply not true. I am not a wealthy person out of this process. And then you listen to the discussion around the new executive hired and what the salary is, and then you listen to the problem articulated by the Government about the wage bill, and so—

**Mr. Vice-President:** Senator, at this point, the conversation is starting to become repetitive along those lines. The executive hired; the amount of money they are making. All of the Senators that have spoken before have created their context and tied it in with the vesting order Bill that is before us, speaking specifically to the companies, or the assets that are being put into the companies. I have given you quite a bit of leeway in relation to your introduction and creating that context. If you can move on, or at least tie it into the assets or the company that you are speaking of, but being mindful of the comments that have been made before especially in relation to the executive. And, I mean, the Senator before you spoke to that as well. It is becoming tedious right now in relation to that.

**Sen. A. Haynes:** Thank you for your guidance, Mr. Vice-President. And I take your point that it had been made. I was just raising it in relation to what the comments were from the Government side that this was not, indeed, a problem, and just showing the juxtaposition. But what we are being asked to do with this Bill, as it is stated, is to vest certain assets of Petrotrin into these three companies. And the Bill is concerned with only the vesting of the assets. But what about the liabilities of Petrotrin incurred mainly with the projects that we have heard about before— World GTL, and the issues that came across with that kind of rampant spending in earlier times?

You see, these new companies must generate sufficient cash flow to service the requirements of the severance payments, the bond payments and other current borrowings to fund, as Sen. Ramdeen noted, astronomical numbers in terms of consultancy. And you are looking now, I think, Mr. Vice-President, at a proposed solution with this vesting Bill, saying that these companies will solve our problem.

But no one has given us the start-up costs of the companies. You are looking at things like logo, branding—

**Mr. Vice-President:** Senator, again, because of your late position in the debate it is—I understand the difficulty to not repeat what has been—we have heard that comment before in relation to the start-up costs. All of that has gone before. Your late position requires that you come with new information or new points in relation to the Bill that is before us. So you are going to have to be a little bit more mindful in your contribution going forward as to what has been said prior.

**Sen. A. Haynes:** Yes, Mr. Vice-President. Okay. We will talk about vesting Acts before, then. So I took a look at the BWIA Vesting Act of 1995, and why I am bringing this up is because the Act before us—and I have in front of me the Act on Heritage, the one from 1993, Petrotrin Vesting, and I looked at the BWIA Vesting Act of 1995, and of particular importance were the details that were given on the transfer of liabilities. And I was actually setting up that point before that we have been asking for specific details and we have been looking at how this is going to form a solution to the problem. And so, if you look at the BWIA Vesting Act of 1995, you are told the liabilities and obligations to the holders of valid passenger and freight transportation, coupons that were purchased at the corporation's posted fares or distributed in connection with promotional or charity events.

So the question arises—and the Minister in the Ministry of Finance stated that this vesting Bill is nothing new; it has been done before. But when they have been done before, you have been provided with particular details and a certain amount of information within the vesting Bill. So you have to question now: Is it due to sheer incompetence that we have a Bill that is so lacking in detail that we

have to constantly ask more and more questions? Or is it a larger motive at play here? Is the information that we are being given, deliberate to create a certain level of chaos or a certain level of, we cannot even look in the right direction because we are looking in all these different directions? And that is a strategy that, when you employ it—when you employ a strategy like that, you have people running in several different directions and you cannot even get to the bottom of it.

The bottom of this is: Is this vesting Bill, are all of these things that the Government is doing, including the retrenchment of thousands of workers, will it be a solution to the problem that they have presented? And I would like to say, it is not the solution to the problems that we have. And I think what we need to look at is, as this Petrotrin saga rolled out, the Government, led by Prime Minister Rowley, went through a number of statements, that we had to question the validity of the statements, including that Petrotrin has paid no taxes and was a burden on the State.

**Hon. Senator:** PNM is a burden on the State.

**Sen. A. Haynes:** And the Lashley Report that was commissioned by this Government stated in unequivocal terms that during the period, fiscal 2011 to fiscal 2015, Petrotrin had made tax payments in the sum of TT 20.2 billion. So between the period 2009 to 31 August, 2018, Petrotrin had paid the Board of Inland Revenue the sum of \$30.6 billion.

So the dates there are also important, Mr. Vice-President, because as you create this—as you try to move towards a particular end—and I have questions about when this—like I said, the information comes in different ways, eh, and as I was preparing again, I looked at the legislative agenda from the Government that

was presented early in 2016, I believe, and under midterm legislation due September 17<sup>th</sup> to 2019, there is your Petrotrin Vesting Bill that was on their legislative agenda. And so, you know, I have heard people allow the Government to make excuses that this has been a quick process and they had to make decisions and we can expect that information would come in as they come in. But you knew there was going to be a Petrotrin Vesting Bill since 2016. What else did you know then? And why were you giving us information in this manner?

Like I said, we are running around like headless chickens because they dropped the closure of the refinery on August 26<sup>th</sup>. We heard nothing from them until September 2<sup>nd</sup>. They said that the refinery was—that some people were going home; not all. And it was deliberately muddled. But I raise that point because that point when Petrotrin stopped paying taxes would be under their tenure—under the tenure of this current PNM administration. And if you are saying Petrotrin did not pay taxes and royalties—and the timeline is important here—and Corporation Sole is the sole shareholder, is it not a dereliction of duty by the Ministry of Finance in this case? Or perhaps it was just setting up Petrotrin for this eventual end here, so that when you come to us you say, “Look at all these problems. Look at this unsustainable entity. We have to do something. We have to do it immediately. We have to do it now. We have to do it before you have all the details. You have to do it before I give you any information, because it is critical. It will bankrupt the country. The sky is falling.”

This has been their constant modus operandi: “The sky is falling.” Rush everybody into a decision. Try to get the entire Parliament to participate in their poor decision-making and this is decision-making by the Executive that they are

trying to get all of us to say yes to, and that is why we will not say yes to this Bill here today. [*Desk thumping*]

**Hon. Senator:** Take it back.

**Sen. A. Haynes:** I would like to look at the other deception on the wage bill, that we are paying \$2 billion annually and that the Government—that we cannot afford these people. But what is the other side of that coin? So who from the Government is going to get up and tell us what Petrotrin contributed to BIR? These employees, because they were not—as they were working there and we had to pay them wages, they were also taxpayers. They contributed to our system. That is the way this works. But you are telling us that they were weighing us down and preventing all of us, including them, from getting roads, et cetera, but tell us what would be lost from the closure of the refinery from the collection of PAYE from the thousands of workers that are being retrenched. And we must add that the taxes that are paid by contractors and businesses and people who do business with Petrotrin—corporation tax, PAYE, Green Fund, VAT, business levy—what was that? What are those numbers? Because again, you are giving us some but you are not giving us all.

So you are giving us the picture that you intended to create so that we should feel comfortable about your poor decision-making. What is the value of this loss? And you see, when you look at the totality of the picture—and I want to—you know, they will keep saying that we would not have done anything, and we would have let our problem continue, but that is not the fact. What we are saying is: Is what you have presented to us a solution? And if the answer is no, then what you are doing is, in essence, mamaguying the public.

**Mr. Vice-President:** Senator, I have to raise at this point, a lot of what you are saying for the majority of your contribution is dealing with the narrative prior to what is before us. What is before us is the transference of assets into companies. Other Senators have dealt with it in a contextual manner because, in order to make any kind of intelligible argument for this Bill, you have to create some sort of a context, but it cannot be the meat or the sole point in your Bill. So you have been talking about dropping the ball in relation to communication and the handling of all of the prior issues in relation to this. What I am trying to get you to do is to now focus on the transference of assets. So just as an example, your colleagues have spoken to the effects of the transference of these assets in relation to employees at Petrotrin, which is all well and good. What you are focusing on is the narrative prior to all of that. So could you just start to focus on the transference of assets or even the companies themselves?

**Sen. A. Haynes:** Thank you, Mr. Vice-President. I think where I am—I am trying to highlight that by their own admission, in terms of their stated elements of the problem, that the vesting Bill that is presented before us today cannot be considered the solution to that problem.

**Mr. Vice-President:** And that is fine. That is the major point that you are making and I understand that, but that cannot be the only point for 40 minutes of a contribution. So as long as you are making that point—and you have made that point in the beginning—what I am saying now is that you have to deal with the contents of the Bill that is before us which speaks to the transference of the assets. So you have made that point in the communication, so you are now engaging in what is tedious repetition or circular arguments in relation to that one point. If you



have new information to bring to light outside of what all of the other Senators that have contributed thus far have brought forward, I invite you to do so.

**Sen. A. Haynes:** Thank you, Mr. Vice-President. The essence of my contribution in this debate has been to give as much evidence as possible to back my thesis or my original claim. And I understand your ruling, but as we assess the validity of what is brought before us, which is like you said, the vesting of certain assets from Petrotrin into these new companies, when we leave here, what are we saying? Are we saying that—my question is, if the country should be comfortable that we have done our best to provide the solutions?

And I understand, but you have to—to make that point you can take many different roads, and I am showing that throughout the entirety of this thing, at the end of the day what we have established as the facts is that the People's National Movement, by their appointments and by their decision-making, have created this problem before us and that they have brought this Bill to masquerade as a solution. And it is not a solution and it is, perhaps, at the creation of a bigger, more expensive problem, and that they have tried their usual blame game, but they have blamed the workers and they have blamed everyone but themselves.

And the fact is—and this is where I will conclude, because the fact is, Mr. Vice-President, that they cannot manage, they cannot create, they cannot build and what we are seeing right now is that they cannot tell the truth and they certainly cannot take this country forward. Petrotrin is emblematic of what has happened to our country since September 2015: chronic, persistent mismanagement; decisions crowded by politics before people; and they have crashed our economy; and they have crashed the spirit of our people.

So if you want to know what will happen to our nation if we continue with PNM management, you just need to look at what happened to Petrotrin. Employees are defeated; managers grow richer, and that is the essence of this PNM public policy. And so I end by saying, today is a sad day for the nation as we feel the full brunt of a government that could not care less about the people of Trinidad and Tobago, and you see what kind of damage they can really do when you do not act in the best interest of people.

Thank you. [*Desk thumping*]

**Mr. Vice-President:** Minister of Public Utilities. [*Desk thumping*]

**The Minister of Public Utilities (Sen. The Hon. Robert Le Hunte):** Mr. Vice-President, today I stand to defend a Bill that is necessary for the survival of our nation and the recovery of our financial legacy. Before I get into the heart of my contribution, like my other colleagues in the past who have gone before me, let me welcome to the Chamber all the new Independent Senators. Service to humanity is the best work of life and I am sure you will find this contribution to be very enriching.

This Bill is about the restructuring of Petrotrin and the creation of agile, efficient entities that will contribute to the Trinidad and Tobago economy. In its written form, it is about the vesting of assets in Petrotrin to three newly formed companies, i.e. Heritage Petroleum Company, and I move straight into the Bill. Part II of the Bill, clause 3, talks about the vesting of the assets of Petrotrin to that company, Heritage. The Paria Fuel Trading Company, again, Part III, clause 5 talks about that particular vesting, and, of course, the Guaracara Refining Company Limited, and, again, Part IV, clause 6, speaks specifically to those particular vestings.

This is not something new. This is something that we have done before and this is a viable proposition as it relates to moving the assets very quickly from one company into different companies. However, by implications of what has happened, it is about the financial stability and sustained development of our country and about the maximizing of our natural resources for the benefit of the current and future generations.

Mr. Vice-President, talking about this Bill, or contributing here, it is a very emotional experience for me, because, as I have said in this House before, I grew up in Daly's Village, Santa Flora. My father left, worked in Petrotrin, parent company—not a parent company; the companies before Petrotrin, TPD—for over 40 years. Retired at 55 and would have retired after 42 years' service. My education was funded as a result of him working in Petrotrin and going through the ranks in Petrotrin. So I understand. I have a lot of friends who work in that particular area. I grew up my whole life in Fyzabad after living Santa Flora, Daly's Village. So I understand what are the concerns and how people feel about what is happening in Petrotrin.

But even as I understand and empathize with the positions faced by Petrotrin workers, and the communities that are part of it, I must remind us all about one very important fact, and whether we like it or not it is a reality. Companies cannot exist just for the creating of employment. That is the reality. If you set up a company, a company in business, in anything, must be set up to fulfil an end result. You set up a bank, it is to provide service and financial services to people. If you set up a bank only to keep people employed, you will no longer have a bank. It does not work like that. Unfortunately, that was the basic premise under which we

took over Texaco which was later merged with other interests to form Petrotrin.

As you all remember it, a *New York Times* article, it was actually said, and I quote:

“The Government agreed to buy the money-losing refinery, officials say, mainly to save more than 3,000 jobs.”

Mr. Vice-President, it was a questionable and unsustainable premise 30 years ago and right now it is still a decision that still bears fruit. You cannot continue to run a company just because you want to keep people employed.

Mr. Vice-President, without our intervention in this particular company—and we have said before—and, you know, we have been saying and we have been giving information. So, again, if you would like to understand—or some of my colleagues before—they need to then take the particular notes and ensure what we are saying. We have made the point in our projections that if this company had continued to operate under its present trajectory, the company would have been earmarked to lose close to \$2 billion a year, going forward.

Now, let us put that into perspective. We are talking about a company which is losing money now and projected to continue to lose more money. We talked about 5,000 employees. If you are going to lose \$2 billion a year, who will have to pay that \$2 billion a year? That \$2 billion will come back to all of us, the taxpayer, to save 5,000 jobs. That is almost each taxpayer, we are basically paying close to \$500,000 just—for each one of us. That is the loss we have to incur to afford us the ability to keep those individuals employed. You cannot run a company like that.

**Hon. Senator:** A country like that.

Sen. The Hon. R. Le Hunte (cont'd)

**Sen. The Hon. R. Le Hunte:** Madam President—

**Sen. Baptiste-Primus:** Mr. Vice-President.

**Sen. The Hon. R. Le Hunte:** Mr. Vice-President, not only must a company be profitable but throughout—*[Interruption]*—\$500,000—

**Sen. Ramdeen:** \$500,000?

**Sen. The Hon. R. Le Hunte:** Yes, do the math. \$2 billion divided by 5,000—\$400,000. Mr. Vice-President, not only must a company be profitable but throughout its lifespan it must go through changes to ensure its continued profitability, especially a company that is impacted—*[Interruption]*—Please, Mr. Vice-President, I continue to be—protect me from the grumblings—especially companies that are dealing with international factors.

Any business person will let you know that in the corporate world when inertia steps into a company, then death is at the doorsteps. So if you look at a company, one of the things that is important for a company is that throughout its life it must go through changes and that you cannot adopt a business model and say, this is the business model of the company and this is what it is for life. Business does not run like that. You need to change. And if you do not make changes, or what is called tweaking changes, or tactical changes, throughout the life of the company, at the end of the day it comes upon you, and therefore you have to make large transformational changes.

And, basically, that is the position under which we reached with regard to Petrotrin. When we looked at this company and you look at it, and you take the decisions that we have made to separate the assets of Petrotrin and place them in separate companies, you have to again do that against the backdrop of what was

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Petrotrin, and could it have continued in its present form. The reality is, if you look at the financials, you will see that Petrotrin, over the years—it is not now that Petrotrin has been losing money. Petrotrin has been losing money consistently over the years. The after-tax loss in 2015, it was \$1.2 billion; in 2016, \$4.3 billion; in 2017, \$2.4 billion. That is the kind of loss. The company was going through very inefficient, and inefficiencies were rampant within the company. The company was over-leveraged and very debt dependent.

When you look at the level of debt that this company was carrying, the total liabilities of Petrotrin in the audited financial statements for 2017 was \$36.6 billion. When you compare that with an equity of \$3.9 billion, you understand that the company had a debt-to-equity ratio of close to 929 per cent. Those figures are not sustainable. You cannot operate like that. Petrotrin was operating like a company—you know when you have a country, a country that has borrowed too much money and you have a debt-to-equity—the country with a debt to GDP ratio being very, very high? That a country like that in a similar situation, if I have to take the analogy to a country—a country with a debt to GDP ratio that is too high ends up in the arms of the IMF. All right? That is what needs to happen. Nobody wants to go there, but the country ends up there because of decisions that have been taken and the level of debt that is taken. And that is the kind of debt compared to the equity that Petrotrin was carrying.

You know, there was a particular ratio that is called the Altman Z-score. The Altman Z-score is a ratio that you use in the financial sector when you are trying to do some calculations about the future of a company, and it is something that all international lenders will look at, all right, to determine what is the

probability that this company is going to be bankrupt.

**10.00 p.m.**

It is called the Altman Z-score, and that Z-score gives you ranges as to what is acceptable or not. So, for example, a Z-score of over 2.9 means the company is in a safe zone. So after you do the variables and the variables associated with that Z-score, there are different things—look at working capital to total assets, retaining the earnings to total assets, earning before tax to total assets and some other factors, but it is an international factor. Take my word for it. Z-score over 2.9, safe zone; a Z-score between the ranges of 1.81 to 2.9, grey zone; a Z-score less than 1.8, distress zone, and the probability that this company when you look at it, 80 to 90 per cent of the times when a company has scores of less than 1.81, within one year they are in financial distress. So you as a financial person, you do a Z-score and you see that, you understand where this company is heading and, therefore, you are not lending this company any money at all. At all! So what was Petrotrin's score when you did all of that analysis? Petrotrin's score moved from 0.73 to 0.44.

Remember what I said, anything less than 1.81, you are in disaster zone. Petrotrin was at 0.44; 0.44 multiplied by 4 is about 1 point—so over 400 per cent less than where the worst case was supposed to. So, understand what it is that you were dealing with regard to Petrotrin. I mean if you bring it in, you look at a debt, you look at some of the ratios of this company, you take a look at their working capital ratio, the company was practically—could not have met the number of assets to liabilities. The ratio you would like to see is a one to one position. They had current ratios of 44 per cent. You are trying to get up to 100, you are at 44,

you are at 46, you are at 50; those are the kinds of figures that you were talking about.

The point of the matter is this company, Mr. Vice-President, was a company that if you decided to leave it alone—so, when questions are asked: What was the underlying factor or the concept behind this restructuring of the company? Survival. [*Interruption*] Survival. I am answering a particular question that was raised. What was the underlying?—survival. The company needed to survive because if it did not survive and the company did not survive, it would have been a burden on everyone else in Trinidad and Tobago. And, Mr. Vice-President, as my colleague mentioned, another thing that is important in any company, Petrotrin, is about change and going through change and going through restructuring. Petrotrin was one of the few companies in the world that based on what went on, based on the financial shocks that they faced in 2015/2016, that did not choose to go through any sort of major restructuring.

When you look at companies, as we heard, there were companies all around the world in large oil rich companies: the Kuwait Petroleum Company, GE Electric, the Brazilian company, Petrobras, the Nigerian Oil Company, the Abu Dhabi National Company. You had a lot of oil companies around the world that recognized that you needed to change and therefore, again, why are we vesting, why are we moving these assets from Petrotrin into these small companies? Because when you look at the change that those companies did, it was not any different. These companies moved and they changed, and the whole objective of the change was to make the companies more agile and more responsive because when—gone was the era of these big integrated companies, that was a time, but the



whole idea on when you are looking at best practice. So how did we come to this? Because we looked at how all of the other companies around the world restructured themselves and recognized that what you needed to do was to break up the companies and make them more agile because that is what it is. That was one of the recipes for success. So therefore, we went along that road and this is what it is.

Now, even then, even when these companies—and again, I could speak a little bit about this because I was in Tesoro, I was in Petrotrin. I mean, in those days when this whole merger thing was around, when this merger conversation was around, at Petrotrin—Petrotrin was the equivalent of what is being talked about as Heritage. When Petrotrin—we were very concerned way back then about what would have happened because the writing was on the wall as to what would have happened to companies like Petrotrin from way back then, but everybody, we went along with it because those companies as an exploration company, you need to invest money in the drilling of new wells. You need to constantly be drilling wells to be able to increase production and, therefore, if you—and that requires cash.

When the companies were together with Petrotrin, Petrotrin found itself in a cycle. At the end of the day the company did not have any cash because the cash that was required, that was being generated from the exploration, was now being used in the refinery, the loss-making entity of the refinery which resulted in the companies, therefore making losses and debt coming in all the time. So again, why did we choose to go this route? Because we recognized—so what does all of this have to do with regard to the new structure? This new Bill speaks to a new business model that we are going into, into the petroleum industry. We are not

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getting out of the petroleum industry. We are not getting out of it. We have decided to use a new business model. Again, we are going into—we have moved the assets of exploration and drilling into a new company called Heritage. When questions are asked what is going to happen to the school, and what is going to happen to the community, and what is going to happen to the steelband, again, instilling a kind of fear into people—and again, for the records, if Petrotrin—  
[*Interruption*] if Petrotrin—

**Sen. Ameen:** It is fact.

**Sen. The Hon. R. Le Hunte:** Well, listen to the facts. Well, listen, listen. Listen and get the answers once and for all. If Petrotrin as a company—[*Crosstalk*]

**Sen. Ameen:** What about TSTT workers?

**Sen. The Hon. R. Le Hunte:** If Petrotrin—you see, you are not interested in getting the answer, you know. You only want to quarrel.

**Sen. Ameen:** I am waiting. I am waiting patiently.

**Mr. Vice-President:** Minister, focus on the Chair. What is happening is you are engaging the crosstalk. Focus on the Chair and make your contribution.

**Sen. The Hon. R. Le Hunte:** If Petrotrin—thank you very much—as a company, recording the types of losses that I mentioned before, was able to engage in all of the activities and all the social programmes that they did—and I agree with you. I lived them and they did a lot, right? Now that you have a situation where you are going to have—we are now producing about 40,000 barrels a day in oil. The projections that were said by the Minister of Finance, in his budget presentation, was that the projections that we would be very quickly moving by way of investing more money and being able to generate more money in Heritage, that production

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will have gotten up to about 80—I think it was 75,000 barrels a day.

So therefore, we are putting money into Heritage, moving the assets into Heritage, and the assets of Heritage, now that they are generating their own cash and no longer having to subsidize a loss-making entity, like the refinery, that company would now be able to increase its production from 40 to 75—makes sense—and therefore, increase their profitability which will allow for them to do a lot more for all the communities of Santa Flora, Beach Camp, Palo Seco, Point Fortin. All those areas that are being affected, that will now be able to benefit, not from a loss-making company, but from a company that is now profitable.

**Sen. Ameen:** Would the Member—I just—thank you, Member, through you, Mr. Vice-President. Because I read some articles on the newspapers of some of these steelpans and other community groups who were expressing their fear, can we safely say that they can rest assured that their sponsorship will continue?

**Sen. the Hon. R. Le Hunte:** Mr. Vice President, of course, as a Member of Parliament, I do not make decisions, those types of corporate decisions for these companies. These companies—and that is probably the difference you know—are run by a board of directors and they are run by an executive management, and the companies will invest in whatever social programmes that they feel are beneficial for the community and whatever is required will happen. So at the end of the day—so the fact of the matter is, Mr. Vice-President, when you look at these companies, what this restructuring will do is that Heritage with its increased focus on drilling and exploration, will now improve in profitability, and now that improved profitability position will allow now, for a company that was a loss-making company, one that could not pay its debt, will now be in a position to pay

its debt.

So we are moving from a situation, as a country, where if we left Petrotrin as is, the projection was you will have to be funding Petrotrin and all the citizens of the country, to the extent that the company will be losing \$2 billion annually. And as a result of its loss position, you would have now had, as a citizen, now have to take on as a country to now make and pay all of Petrotrin's debt, international debt, especially the big bond. Now that we are having Heritage, and we are now going to be investing and putting new capital and ensuring that Heritage becomes profitable, we are now going to be in a position, and this is not only by myself. This has been tested by the banks. The consortium of banks that have looked at these projections—this is not loss. The projections at the banks, the international banks that have looked at the projections, are now saying based on the projections that I am seeing, I feel comfortable that this company will now be able to pay its debt.

This is a far cry from when Standard & Poor's looked at us, looked at the old Petrotrin's structure and recognized that under no stretch of imagination this company would be able to meet its \$850 million debt. As a result of that, by implications, said the country will have to make it and, therefore, that was the prime reason for our downgrade by Standard & Poor's. We have now turned that situation around by the deliberate action taken by us to a position that now we are now able to convince our international bankers that this new company will not only remove that debt from having to be paid by the citizens, but will now be contributing to the welfare of this country.

You see, Mr. Vice-President, as a country we have a business model also,

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you know. As a country, we have a business model. The business model just like a—the model for us, as a country, is that we get taxes, we get moneys from our investments, and we get also money from some of our state enterprises that are profitable—that is where our income comes from—and then you spend that money on sending kids to school, on hospitals, and things that you want to subsidize. The reality is, if we choose to change that business model and companies like Petrotrin, where you were expecting to get income from, now reach a point where they are now losing money, nobody is going to come—where is the money going to come from? Where is it going to come from?

At the end of the day you have to be able—and if you choose then the model will change. We could change that model. We could say, easy to say leave it as it is. Leave all the jobs where they are because that is important. If that is what the country wants, and that is where the UNC would like to take this country, that is fine. You want to take it down their road, understand then you will end up with—you have to then find that money. You have to find that money because you are now no longer going to be having a profitable state enterprise, and as a result of that it is going to result in a number of other domino actions that will have to be taken.

So, Mr. Vice-President, we are moving and moving these companies into smaller companies, more manageable companies, more focused entities for a simple reason, because it is the business model that we think is going to be able to be sustainable and make these companies profitable. It is also an attempt to move us from a loss-making situation as a company and as a country, to one where we will be able to get revenue. You know, these are not easy decisions to take. These

are not easy decisions for a country or anyone to take because no one—but they are decisions.

When you are faced with having to make a decision for all of Trinidad and Tobago, when I am faced—as much it hurts me because my family is affected, but when I am faced in a situation whereby I have to take a responsibility to look at every citizen in this country, and when I have to make sure that every citizen in this country is able to continuing getting free health care, every citizen is able to enjoy free education as I was able to enjoy, then I have to make decisions that are right, not just for 5,000 employees but for every citizen of Trinidad and Tobago [*Desk thumping*] and that is what this Government is doing, and that is what this Bill is about. That is what this Bill is about, and also we are also going down the road in also making sure that these companies have all the resources that are required to give them a fighting chance.

Now, Mr. Vice-President, we have also heard—I will just take a little segue and answer a particular question that you know, again, is the sort of putting information out there and saying it, and we clearly understand by Sen. Ramdeen, what he was trying to do, put out another something out there and it will then find its way, you know, that there is discourse on this side—

**Hon. Members:** Discord.

**Sen. The Hon. R. Le Hunte:**—discord on this side and information from this Cabinet is finding its way into his hands. Again, total fake news and I join my colleague in condemning that type because it is believed by putting it out there it is creating something in a people's mind that wants them to believe that is true. Total fake news.

Now, in addition to that, Sen. Obika talked about the 9 per cent and the 9.5 per cent that was being charged—

**Sen. Obika:** 6.5—

**Sen. The Hon. R. Le Hunte:** No, the 9.7 per cent which was the rate on the bond that was being charged at Petrotrin—and went on to make the point that that bond really should have been done at around at 2 per cent. Therefore, the country incurred a massive loss as a result of that. The reality of that again, Sen. Obika, again, when you are funding a bond, an international bond like that, again, you do not fund that against LIBOR which is where you went to look at what was LIBOR at that time. Because it is a 10-year Treasury Bond, you look at funding those bonds against the 10-year Treasury Bill at the time. That is the benchmark.

So just like when you are doing a normal loan you will use LIBOR plus, you will look at Treasury as being your benchmark rate. So I am giving you a little bit. I did not give you this course when I was talking, so this is it now. Let me put it on *Hansard*. [Laughter] So then, the benchmark, if you go back now and look at when that bond was issued, you would have recognized that US Treasury's at the time was 3½ per cent. So there was no way that the bond could have been issued at 3 per cent because US Treasury was 3½. Now, because of Trinidad and Tobago's rating at that time, you would have then done the bond—if it had a guarantee on it, would have been US Treasury's plus about four. The reality is US Treasury about 4 is what our rating would have given us. We ended up doing it at a little bit more than that, and the reason why it was more than four is because one, it did not come with a guarantee. It was borrowings from Petrotrin and it was also the size. You have to also factor that in your pricing because you

Sen. The Hon. R. Le Hunte (cont'd)

are going to the international market for \$850 million, not a little \$100 million or \$150 million. So if you are doing that you would have had to add a premium for size and therefore, the price of 9.75 per cent for the bond, it is a price that is justifiable and one that was done by all the professionals in the Central Bank. So the concept that you were talking about does not really hold. So I put that lesson to you and how that rate came across, and let us put that on the *Hansard* so that you will understand.

Mr. Vice-President, in summary, therefore, [*Crosstalk*] this action, the separation of these companies—

**Mr. Vice-President:** Minister, you have five minutes.

**Sen. The Hon. R. Le Hunte:**—is an attempt to make the companies profitable. We are going to turn and we are going to expand. We are not getting out of the oil business. We are still going to have all those communities served by all the areas in the south of Trinidad. That particular business is expected to grow. As a matter of fact, that particular company, as you said, Heritage, is looking at employing at least 1,000 more people—

**Sen. S. Hosein:** Eight hundred.

**Sen. The Hon. R. Le Hunte:**—800 permanent people, but as you know in the oil industry there is always a temporary staff. Because, if you looked at Petrotrin and you looked at the ratio, Petrotrin ratio was 3,500 permanent and 1,500 temporary. So you will end up with that company employing about 800 permanent, and then if you add on the temporary staff you are talking about people getting back employment in that area of close to 1,200/1,300 people.

I would like to close on saying this was a necessity. This was something



Sen. The Hon. R. Le Hunte (cont'd)

that was required to save a very important industry for Trinidad and Tobago. This is not something—and yes, I agree we all have to learn from the legacies of what happened in Petrotrin and, therefore, what we are seeing here, the fact that we all understand why it needed to happen, you know. We could not continue, but the fact that the country is witnessing—when a decision that is clearly facing us in the face and we have people, we have Opposition, and we have Members that are actually saying and making it look like if it is something that somebody else is doing because of ulterior motives or because we are demons on this side, we are only creating discourse and that is what is doing—

**Sen. Ameen:** Discord.

**Sen. The Hon. R. Le Hunte:** Discord. These are the things that are what is damaging us and damaging our country.

Yes, we have to learn from Petrotrin. Yes, we have to look at all the factors that got us to this position. Yes, we have to go back to our core values of discipline, production and tolerance and look and see to what extent us deviating from those values played a part in where Petrotrin ended up. Yes, we have to do all of that, but doing nothing was not an option and, therefore, what this Government has put forward in this particular Bill is what we feel comfortable will be needed to save this particular industry, and I am proud to support this Bill and be part of this Government who is prepared to make such a bold and a strong decision for the people of Trinidad and Tobago, all of our citizens.

I thank you very much. [*Desk thumping*]

**Sen. Charrise Seepersad:** Thank you, Mr. Vice-President. I would just like to take the opportunity to thank the Members of this House for the warm reception I

have received today. The Bill in itself is very straightforward. It is not complicated. The Minister of Energy and Energy Industries gave a lot of information which helped me understand the context. But, I do not feel that the Senate has been presented with specifics on what will be done differently to ensure the future viability and profitability of these new companies, and that the excesses and malpractices which are coming to light, will not be repeated. Are we transferring the assets of Petrotrin to companies with the same morals or lack therefore?

Mr. Vice-President, I would like to ensure that these assets are secured and productive for our future generations, and I would welcome further elucidation by the hon. Minister. Thank you. [*Desk thumping*]

**Mr. Vice-President:** Hon. Senators, once again, please permit me to congratulate Sen. Seepersad on her maiden contribution this evening. [*Desk thumping*] Sen. Mark.

**Sen. Wade Mark:** Thank you. Thank you very much, Mr. Vice-President. Mr. Vice-President, allow me to first of all congratulate all of my colleagues on this Bench for their excellent contributions. I also would like to join you and my other colleagues in warmly welcoming the new Senators who have joined us today, and we wish them well. I would also like to go on record to congratulate the sterling contributions, to recognize I should say, the sterling contributions made by our outgoing Senators during their stint here with us.

Mr. Vice-President, the last speaker spoke to the issue of restructuring of Petrotrin, and it is a term that has been used by several of the Government speakers. The Prime Minister has also indicated that Petrotrin has been

restructured.

**10.30 p.m.**

Unless I am going mad, I do not understand, Mr. Vice-President, that a company that has been literally cannibalized in terms of its assets and has been literally closed down is being advanced by the Government as one that has been restructured. How can a company that has been closed down by this Government be a company that is in a state of being restructured? It does not make sense.

*[Desk thumping]*

Mr. Vice-President, may I remind you? BWIA is now a paper company, it has been replaced by CAL. But you know, Mr. Vice-President, it is still on our statute books and it still operates. Has that company been restructured? BWIA is dead. Petrotrin is dead. *[Desk thumping]* So why are you mamaguying and fooling the country by telling the country that you have restructured Petrotrin and you are restructuring Petrotrin? Petrotrin is dead. You have slaughtered, butchered, *[Desk thumping]* executed Petrotrin. “Dais what you have done, the PNM.”

Mr. Vice-President, let me tell you very early. You see misinformation, disinformation, and skewed statistics, these are specialists in that particular department. *[Desk thumping]* It is a lot of misinformation, disinformation, and skewed statistics coming from the Government side as they seek to mamaguy the country. One of the things that they have studiously stayed away from, and I have not heard from the Minister of Labour as yet. You have not spoken about your destruction of the trade union involved in the industry. *[Desk thumping and crosstalk]* You have not discussed that and, Mr. Vice-President, I will show in my

contribution where, and I am sure that [*Crosstalk*] if the hon. Minister of Labour was in a position today, [*Crosstalk*] she would have make life hotter than “ah choolhaa”. [*Desk thumping*] [*Crosstalk*] Today she is quiet, “she aint saying nothing”, Mr. Vice-President. [*Crosstalk*]

**Sen. Baptiste-Primus:** “Why yuh doh keep me outta yuh bacchanal?”

**Mr. Vice-President:** It is a very late hour and I am astounded by the amount of energy that everybody still has. [*Laughter*] But that being said, the Member is making his contribution and he is allowed to do so and have silence when he is making his contribution. Member, continue.

**Sen. W. Mark:** “Ahhh cool.” [*Crosstalk*] I am not attacking you.

**Sen. Baptiste-Primus:** You are.

**Sen. W. Mark:** I am saying that you are silent and you need to speak out. That is what I am saying. “Dais is what I am saying.” [*Crosstalk*]

**Mr. Vice-President:** All right, All right. Senator, Senator, Senator.

**Sen. W. Mark:** I apologise.

**Sen. Baptiste-Primus:** “Next thing yuh know yuh calling on me to recuse myself from the issue.”

**Mr. Vice-President:** Minister, Minister. [*Continuous crosstalk*] Again, we are all awake. I am absolutely sure of that now. But I really do not want to have to extend the amount of time that we are here because I have to get to my feet and rule. Senator, you are making your contribution. Please, let there be silence when he is making his contribution; allow him to make his contribution. Continue, Senator.

**Sen. W. Mark:** Thank you very much, Mr. Vice-President. So what I am saying

is the Government has attacked, subverted, undermined the trade union movement, and particularly, the Oilfields Workers' Trade Union in this massacre that has taken place involving the closure of the refinery and Petrotrin.

Mr. Vice-President, you know, my honourable friend who is rushing towards the head of the class because his ambition is to be something else—but I will deal with that later at the appropriate time. But my colleague who spoke before me, Mr. Vice-President, that is the Minister of Public Utilities, who is now Vice Chairman of the party of the PNM—I want to congratulate him because I know his aim is to become the leader of the PNM. [*Laughter and crosstalk*] So what the hon. Minister of Public Utilities said, and he made some points. Losses, Mr. Vice-President. Again, a common narrative; losses. He said there was no drilling taking place, all in a justification in order to say Petrotrin must be placed in a coffin and buried.

But, Mr. Vice-President, I will tell you this evening that it was the PNM and it is the PNM between 2015, when they assumed the reins of power to the current time, like the sea bridge, Mr. Vice-President, that you are aware of, they crashed the sea bridge, destroyed Tobago's economy, just as how they crashed Petrotrin and are destroying Trinidad. [*Desk thumping*] That is what they are doing. It seems that the objective of the PNM, between now and 2020, is to leave Trinidad and Tobago as a wreck and wasteland. That is what the PNM is about. [*Desk thumping*]

**Sen. Gopee-Scoon:** Point of order, 46(1).

**Mr. Vice-President:** Continue, Senator.

**Sen. W. Mark:** Thank you very much. [*Desk thumping*] Mr. Vice-President, I

want to draw to your attention some pertinent issues. What my hon. colleague, the Minister of Public Utilities did not tell the Senate, is that between 2015, under the leadership of Andrew Jupiter's board, they did everything in their power to undermine Petrotrin. I will give you an example, Mr. Vice-President. There were two excellent persons working at that place called Petrotrin. One gentleman by the name of Ron Huff, he was the Chief Financial Officer. He was able on his own, to secure \$500 million without any security from the Credit Suisse, you know and that went to the Minister of Energy and the Minister of Finance, Mr. Vice-President. I thank you, Sir. "You know, ah told yuh ah cyah be too..." [*Holds his neck*] "Meh neck, doctor. But I will look at yuh." [*Laughter*] But you will understand how I have to do. So, Mr. Vice-President, US \$500 million unsecured, unsecured loan in terms of any security. The PNM under Dr. Keith Rowley, the Prime Minister, and the Minister of Finance, they turned down and they cancelled that loan and the Minister of Energy is aware of that action. Mr. Vice-President, they fired both a fella called Mr. Ron Hoff and a next chap called John Barton who was in charge of refining and marketing during that period. Excellent people you got rid of in order to accomplish your mission.

Mr. Vice-President, you know what they did too? They cancelled—and the Minister of Energy is aware of it. "Oh sorry, sorry, ah cyah point, I will just remain like ah soldier." [*Laughter*] Mr. Vice-President, I could point to you, eh. Mr. Vice-President, you know what is important here? The Minister of Energy is aware that there was a project. The project was called Mobile Offshore Production Unit Project. That was designed, Mr. Vice-President,—a contract was issued to Well Services Limited and TOSL to produce 5,000 additional barrels of oil a day

for Petrotrin. The PNM under Dr. Keith Rowley, the Prime Minister, instructed Jupiter—let him deny that. Did the Prime Minister instruct Jupiter to cancel that contract? What role did Cabinet play in that matter?

**Mr. Vice-President:** Senator, you continue to point out at them. That is why I asked you to—one second, Leader of Government Business. That is why I asked you to focus on me. You could point at me but just be mindful of the pointing or the gestures towards other Members. The Leader of Government Business is asking to give way. Would you give way? Yeah.

**Sen. Khan:** On a point of order. He is imputing improper motives to the Prime Minister. The Prime Minister never did and will never any such thing in terms of the interference of the operations of Petrotrin. [*Desk thumping*]

**Sen. W. Mark:** Mr. Vice-President, I was not asked to withdraw it, you know what, I will just rephrase it. Dr. Keith Rowley's, Prime Minister of Trinidad and Tobago, politically-appointed board took a decision to cancel a project that was already issued to two firms in south Trinidad to produce 5,000 more barrels of oil. Tell me if the Minister of Energy—sorry, Sir—is not aware of that. He is aware.

And I want to indicate to you, Mr. Vice-President, that drilling at Trinmar came to a halt in July of 2016. Under whose board? [*Desk thumping*] Under the Andrew Jupiter board. Mr. Vice-President, I must tell you there was an orchestrated, calculated, premeditated decision by the People's National Movement to destroy Petrotrin. That is what they did. [*Desk thumping*] And they come here in this Parliament and “they gone” all over the country giving the impression to the nation that they are the saviours of Petrotrin.

And, Mr. Vice-President, when you go through this matter that we are

dealing with, the amount of legal loopholes they have created in this Order, this vesting Bill, is to accomplish a number of objectives. And I would like the Minister to explain to us why have they brought a Bill before us. And in this Bill, Mr. Vice-President, if you look at the 1993 Petrotrin Vesting Order and you look at the Bill that we have before us, there is a big difference. But you know what the Minister said today, Mr. Vice-President, the Minister in Ministry of Finance? The hon. Minister said it is the identical Bill that we did in 1993 that we are dealing with today. That is what the Minister told us. That is a falsehood. It is an untruth.

Mr. Vice-President, on page 5 of the 1993 vesting order Bill, 4(1) (b), it states:

“all collective agreements within the meaning of the Industrial Relations Act, or any replacement or modification thereof in existence before the appointed day, to which TRINTOC and TRINTOPEC were parties shall be construed and have effect as if Petrotrin were a party thereto...”

Why did the Government not put that in this vesting Order? You know why? Because the Government is anti-trade union, anti-working class and anti-people. [*Desk thumping*] That is why the Government has not put it there. I call on the Government here this evening if it is not anti-working class, if it is not anti-trade union, if it is not anti-people to amend this Order this evening. Amend the vesting order Bill and include in it this provision that was in the 1993 Petrotrin Vesting Order. You would not do that. You would not do that because the Government is very clear on what it is about. So the Government cannot fool me or any one of us on this side. We are clear on what this Government is about. There is a link between—and I will show you later on—there is link between Sandals and this Bill



that we have before us. But I will tell you about that as I press on. Let them think about it.

Mr. Vice-President, the Government—this PNM Government is a very evil Government. It is a very evil Government and this Government is destined to be kicked out of office in the next couple months. [*Desk thumping*] The masses of people are waiting like my colleague would have said in the years gone by, it will be like “ah choolhaa, hotter than ah choolhaa” when they get to the polls, whether it is local government or whether it is national election. It will be a total massacre in this country where the masses face this PNM Government in the local and general elections due in '19 and '20 respectively.

Mr. Vice-President, look at the Preamble to this Bill. Mr. Vice-President, you would agree with me that information is the currency of a genuine democracy; you will agree with me. And because we are dealing with energy, it is the fuel of any society. Mr. Vice-President, you know what is happening today? We are debating measures of a gigantic proportion in terms of its impact on our society and its future stability. But you know what this Government has done? I call it a kleptocratic Government, authoritarian and oppressive. You know what they have done? They have tied our hands behind our backs. They have literally handcuffed us as a Parliament. They have shown contempt and disrespect and contumely to this Parliament.

**Mr. Vice-President:** Senator, that particular phrase and lining is going down a line of imputation. I would just ask you to refrain from that particular line, the last two phrases that you have just made in moving forward.

**Sen. W. Mark:** Mr. Vice-President, you would agree with me that if you have to

make a proper decision and judgment on any matter, you need information. The Government is asking us in this Parliament to support a Bill and you know what, Mr. Vice-President? They have not bring to our attention and tabled in this Parliament, one, the Solomon and Associates Report. But you know, Mr. Vice-President? The Minister in the Ministry of Finance has indicated that that report form part of the decision-making process.

So the Government which is accountable to this Parliament under 75(1) of the Constitution, they have denied us information. So the Solomon and Associates Report, we have never received it even though, as you know, Mr. Vice-President, I requested it. The McKinsey Report, they have never produced it and they have never tabled it. So we as Senators are being called upon—they have blindfolded the Senators on the Opposition Bench and they want us to support a Bill and there is no information for us to make a judgment or a deliberate decision on. Where is the Solomon and Associates Report? Where is the McKinsey Report?

Mr. Vice-President, do you know that we spent millions of dollars on a Canadian forensic audit team by the name of Kroll Canada to do an audit into the fake oil scandal and they backed it up further by bringing a firm from the United Kingdom call Gaffney, Cline & Associates, another forensic firm, to look into the fake oil scandal. They are closing down Petrotrin. They are handing over all the assets of Petrotrin to a company called Heritage in terms of exploration and production, which is where A&V oil was located. They have not made those reports available to this Parliament. How can a nation, how can a people, how can a responsible Senate, take decisions without information?

Mr. Vice-President, we cannot, and therefore we are calling on the

Government, if they are serious, to make available—first of all, they should withdraw this Bill. This Bill should be sent to a special or a joint select committee for further deliberations and they should populate that committee, whether it is the Energy Committee, with the relevant documentation. But I have no confidence that they will do it. You know why, Mr. Vice-President? The Government sent the Lashley Report to the Energy Committee. They had meetings in December, January and February, and after that—the Minister of Energy could testify here and rise if he wishes—after February of 2018, they never met on this matter and we had taken the decision as a Parliament, based on the Prime Minister’s utterances, to refer this matter to that Committee, the Joint Select Committee on Energy, so that they could do a proper in-depth analysis on the future of Petrotrin. We never received a report from that Committee.

Instead, this Government had its own agenda and they rushed—and you tell me about alternatives, Mr. Vice-President? This Government had alternatives and the only one that they saw valuable was to shut down Petrotrin and the refinery? That is the only alternative that you could have come up with? This is a bankrupt and lazy administration. [*Desk thumping*] This Government is not prepared to think and they are not prepared to embrace others. Mr. Vice-President, this situation, as you know, will have far-reaching consequences for our nation and our people.

Mr. Vice-President, something that the hon. Minister of Energy is not telling us and I hope that he would tell us a little later on or at some future time: What is going on with national petroleum? But before I go to national petroleum, I go to the Preamble of the Bill. It tells us that Petrotrin has agreed to transfer all of its

assets relative to its exploration and production to Heritage Petroleum Company. They want us to believe that. There was a survey in Sunday's newspaper, the 18<sup>th</sup> of November, on page 11; 13 per cent of the people strongly trusted the Prime Minister. You know what it means? It means that 87 per cent of people literally do not trust the Prime Minister. That is what this means and, Mr. Vice-President, they want you and I and the Senate to trust them. We demand the Minister of Energy to bring to this Parliament now the resolution taken by Petrotrin to agree to transfers all its assets to Heritage Petroleum. Where is the resolution? Where are the Minutes, Mr. Vice-President, to confirm this decision? So you have a lot—Mr. Vice-President, if you look at the Preamble, you will see where Petrotrin has agreed to transfer all the assets relative to its terminalling operations to Paria Fuel. They are asking us to trust them and we must give them approval to transfer 10s and 10s and 10s and 10s and 10s of billions of dollars of the citizens' assets in monetary wise. How can we do that? This Government is looking for a revolution in this country.

I want to tell you, Mr. Vice-President, Hitler, in Germany, used his majority in Parliament, because he had the majority, to pass unjust laws against the Jews. He passed unjust laws against the Jews. He ended up exterminating over five million innocent Jews in Germany. The PNM, today, in this Parliament, they have the majority but they have brought an unjust law. This is an unjust law but because they have the majority, the ayes will have it tonight. But they are playing with fire in this country. They do not understand the implications of what they are doing.

Mr. Vice-President, can you imagine 10,000 people, 400 firms or companies. When you add up all those numbers, Mr. Vice-President, you are

talking about close to 100,000 people in the south and central of our country who are going to be affected by the decision taken by this Government through this piece of legislation. You understand the implications of that, Mr. Vice-President? You understand, Mr. Vice-President, when people are hungry? Well, in a place called France, there was a lady called Marie Antoinette and when the people were hungry and they were marching and they wanted jobs and they wanted bread, she said “Let them eat cake”. She was beheaded by the masses of people in a revolution. I am not wishing that for anybody but I am telling you, Mr. Vice-President, if this Government continues how it is going, what we are discussing here tonight is equivalent to economic treason against the country. [*Desk thumping*] How can we as a Senate support economic treason? That is what the Government is asking us to do. They are abusing this country and its citizens and we are here to protect our citizens against any economic abuse or rape or violence by anybody, be it Government or anybody else and that is what the Government is doing and we cannot support that.

Mr. Vice-President, I ask you to bear with me. Petrotrin; they have not told us anything about National Petroleum. All we are getting is rubbish from the Government, old talk, “gambage”. That is all we are getting from this Government.

**11.00 p.m.**

So, Mr. Vice-President, let me tell you, the Minister of Energy and Energy Industries is not here. I have a story to tell on him, but at the appropriate time. I will deal with him. [*Crosstalk*] No, I have story. There is a judgment, you know, Sen. Ramdeen, by Justice Harris, the 12<sup>th</sup> of October, 2016. Okay, Mr.

Vice-President, I will not deal with that. Mr. Vice-President, I will come back to that at the appropriate time.

Mr. Vice-President, I ask the Government to tell us what will happen to National Petroleum? Mr. Vice-President, you understand what is happening in Trinidad and Tobago. There are asking us, Mr. Vice-President, to give up our energy security in this land. They are asking us to now pay a higher price for imported refined products. And they are telling this country that is a better option than we in Trinidad and Tobago refining our own products. Mr. Vice-President, Trinidad and Tobago has been producing oil since, at least over 110 years now.

If the PNM had put in its manifesto that one of its promises in the campaign was to shut down Petrotrin, shut down the refinery, get rid of 10,000 workers, you think the PNM would have been in power today? But Mr. Vice-President, “dey trick the population, dey mamaguy de population”. They told the population that they were going to support the trade union. And what have they done, Mr. Vice-President? What have they done, Mr. Vice-President? “Dey buss de throat” of the trade union. That is what they did. [*Desk thumping*] That is why I am very concerned about my colleague. I prefer to leave the Government than be part of it.

Mr. Vice-President, I was made to understand that NP will now be called upon to buy gasoline in US dollars. They will have to pay and my information is that they may have to spend about \$175million in excess of what they currently pay, in an effort to buy gasoline and other fuel for you, myself and others to use at the pump. I would like the hon. Minister or the Government to indicate—

**Mr. Vice-President:** Senator, you have five more minutes.

**Sen. W. Mark:** Yes, yes, Mr. Vice-President. What will happen to that situation

involving the purchase of gas, whether it is premium, whether it is diesel, whether it is super gasoline? What will happen? Mr. Vice-President, I would like to know what will happen also to LPG. Would people be called upon to pay more for LPG? Let us know.

Mr. Vice-President, I want to tell you this evening that this vesting order Bill is a massive con job perpetrated by a government aimed at covering up the A&V oil scandal and the fake oil scandal. [*Desk thumping*] It is all part of a package to hide.

Mr. Vice-President, do you know the witnesses involved in the A&V \$1 million scandal? Do you know what the Government is going to do? With the transfer—you all know what is the relevance? Let me tell my friend, who is pleading ignorance, Mr. Vice-President, when you transfer all the assets from Petrotrin into Heritage Petroleum, you know, Mr. Vice-President, what you are doing? You are getting rid, as you know, of 5,500 workers. You are getting rid of the whole internal audit department. You are getting rid of all the witnesses, Mr. Vice-President. So you are starting almost, like with a clean slate, literally. So all the witnesses that are supposed to come forward to say Nizam Baksh did that, “dey gone”. So it is a clean slate. So this Bill is a cover-up, in terms of corruption, and we cannot support that. [*Desk thumping*] Mr. Vice-President, if we want to conduct any enquiries into the WGTI failed project, that is a cover-up. We cannot get witnesses. So they are asking us, Mr. Vice-President, to create legal loopholes in an effort to cover their tracks. This is what this Bill is about.

And that is why I said, Mr. Vice-President, it is an unjust law that is before us today and there is a price to pay for these things. Not for long. It cannot go on

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for long. People have limited patience, you know. You cannot continue to oppress people forever and you cannot use legislation and use your majority when you know the law to be unjust, when you know you have denied us information, when you know you have denied us reports. We cannot make proper decisions, Mr. Vice-President, because we do not have the documentation before us. And you want us to come and vote here, this morning or tonight? How we can vote for an unjust law? We cannot, Mr. Vice-President.

Mr. Vice-President, this Government does not care about people. This Government is doing everything to undermine democracy. Mr. Vice-President, even before you were born and I was born, in 1937 there was an uprising led by Tubal Uriah “Buzz” Butler, against the colonial power structure. You know for what, Mr. Vice-President? Freedom, the right to vote, the right to elect their own government at the self-government level. They were fighting for basic rights of the trade union movement. Today this Government is oppressing and repressing the trade union movement. What does that mean, Mr. Vice-President? It means that you are suppressing and subverting and undermining democracy in our country. That is what the Government is doing. [*Desk thumping*]

Mr. Vice-President, in all honesty when we look at this Bill objectively, we see it as a massive deception. We see it as a massive con job. We see it equivalent to economic treason being perpetuated by this Government. We see it as being unjust and we cannot support legislation that will strangle and slaughter and massacre the ordinary people in our country. We will not support this Bill. And, therefore, I serve notice to the Government to withdraw it. I thank you, Mr. Vice-President. [*Desk thumping*]



**The Minister in the Ministry of Finance (Sen. The Hon. Allyson West):** Thank you Mr. Vice-President. Mr. Vice-President, a lot of heavy weather has been made about the rationale behind what we are seeking to do; the fact that we are hiding information, the fact that we are seeking to deceive the people of Trinidad and Tobago; none of which is true.

Let me start with a very sensational comment made by Sen. Mark, as he is wont to do. We said we were restructuring BWIA. BWIA is dead; the same thing will happen to Petrotrin. Now, my grandmother had a saying: “Like stick break in yuh ears”. Because, regardless of how many times you say the same thing over and over, there is a lack of understanding.

When we talk about restructuring Petrotrin, like when we talked about restructuring BWIA, we were not talking about the vehicles through which the operations were conducted. We were talking about the operations. What did BWIA do? BWIA ran the state airline. What does Petrotrin do? Petrotrin used to refine oil and it explores and produces oil. Those operations of Petrotrin, apart from the operations that we have decided to close down, like the operations of BWIA, now through CAL, will continue to exist. So when we talk, as I said, about restructuring the entity, we are not talking about the vehicle. We are talking about what the entity does and what we are doing about those operations.

The operations of Petrotrin are not being shut down. To the members of the public who are still listening at this hour, the operations of Petrotrin are not being shut down. They are continuing to operate through the four vehicles that are being created. What we are doing is shutting down the refinery. And the reason we are shutting down the refinery is because, as my colleague, the Minister of Public

Utilities indicated, the refinery is an unsustainable unprofitable operation in its current form. And what it is doing, it is dragging down the rest of the company that has the potential to make income, to make profits, for the benefit of the people of Trinidad and Tobago.

So that, if we were to continue along the path that we are going now, what the experts have told us is that Petrotrin would need an injection of \$25 billion to sustain its operations, including the refinery. Because, as my colleague, the Minister of Trade and Industry said, by 2020, we will not be able to sell what Petrotrin is currently producing through the refinery, because the quality is not what the world is prepared to accept. So the only way we would be able to continue to sell that product is if we find a way to improve the quality. That requires capital expenditure, significant amounts.

We have asset integrity problems, both at the refinery and in the operation business. We have had massive oil spills. We have been fortunate to date, that they have not been more catastrophic than they have been. But it is only a matter of time, if we do not address the integrity of the assets that we do not come upon a catastrophe that may be in the region of what happened in the Gulf of Mexico with bp. We cannot afford that as a country. We have to deal with the integrity of the assets, and to do that, we need an injection of funds.

Do we continue to put the limited funds that we have into the non-profit making operation that is the refinery, or do we accept, finally after all of these years, that the refinery will not, in its current configuration, be a profitable operation, and switch our limited resources and capital into the element of the Petrotrin operation that can give us a positive return, which is exploration and

production? So, this is why we have decided to take the route that we have taken.

To correct a comment made by Sen. Mark, I did not in my presentation say that the Petrotrin Vesting Order is identical to what we have before. What I said, and I will quote:

“...Mr. Vice-President, the effect of the Petrotrin Vesting Order was to permit the business operations of both”—Petrotrin—“and Trintopec to not only be merged, but continue uninterrupted under the management of Petrotrin...”

And we are seeking to do the similar thing with this Vesting Order. We are seeking to merge, to restructure the operations in a manner that is quick, that is efficient, that is cost-effective and that will prevent a delay in the transfer from what we have now to where we are going. That is the objective of the Vesting Order. And it is for that reason that we are using the same approach that we used when we did the Petrotrin Vesting Order. It is not that they are identical. The circumstances are different and, therefore, there are differences in the Order.

Sen. Seepersad, I congratulate you on your maiden contribution, short as it may be but very effective. You echoed something that Sen. Richards raised: What will we do differently? What we will do differently is that we will have closer monitoring of what is going on. What we will do differently is we will ensure that we have plans, that we have proper reporting and periodic reporting, so that we know how the company is progressing as things go along. We will not leave it until whenever.

Sen. Teemal also raised the issue of having a plan. Yes, we understand the importance of a plan, and in fact there is a plan. We did not produce the plan here

today, but what I sought to do in my presentation was to let you know what the plan indicates, in terms of the company having reviewed the proposed operations and projected both the income and the expenditure that will come out of those operations. It is from that plan that I could indicate to you that the projected profit is in the region conservatively of US \$200,000 a year. That came out of a very specific plan designed by the company. The company is using this plan to seek refinancing of its operations. Sen. Le Hunte would have mentioned this.

Sen. Obika indicated in his contribution that this restructure is going to further burden the State, because we are going to have to refinance and the State is going to bear the cost of the refinancing. I am happy to say that while we continue to support the company through the transition stage, the plan that the company has devised, which the international lenders have accepted as being very reasonable and acceptable, indicates that the company will not need the support of the Government to settle its debt, which is a complete turnaround from where it is currently. Currently, as I indicated earlier, the company is required to run the refinery on a day-to-day basis. It has to purchase oil, crude oil, in the quantum of 100,000 barrels a day. If we continue operating the way we are operating, the company will have to continue doing that; purchasing oil to run the refinery, to run a refinery which is a loss-making operation. As my colleague Sen. Khan indicated, the refinery is operating in a way that cost the company US \$2 to US \$5 per barrel in losses on each barrel refined.

So, what has been happening for the last, at least the last few months, is that every time the company has to make a purchase of crude oil, to keep operating the refinery, to keep the jobs going, it has to come to the Government to say: "I need to

buy this oil. I will not get credit without your support, so give us a line of credit. Give us a letter of credit or guarantee". Every time Petrotrin has to go to the lenders, or to the suppliers to acquire oil, which it needs do on a daily basis, it is not something that is periodic, it has to get Government support to do that. If we continue along this line, that will continue to happen. That is not sustainable. Every time the Government extends a line of credit, extends a guarantee to Petrotrin, it hits the Government's total liability and reduces its ability to borrow for other purposes and weakens its rating. So it is for that reason that we cannot continue. Petrotrin is one of the key factors that the rating agencies looks at every time they come to Trinidad, because they know the potential impact on the Government. That is the one factor that we think is more likely than not to downgrade us, unless we change things.

What does a downgrade mean for Trinidad and Tobago? It means that all our borrowing costs will go up. We already are paying, I believe it is 20 per cent of our expenses towards interest. We cannot afford to increase that anymore. So we have to ensure that we are not downgraded. One of the important factors in ensuring that we are not downgraded is dealing with Petrotrin.

So, as I said, where we are now is that every time Petrotrin needs a line of credit, it has to come to the Government. We are seeing the light at the end of the tunnel because the company is satisfied and its lenders are satisfied that with this restructuring it will no longer have to get that support. The restructured operations are expected to be able to pay for themselves and allow the company to settle its debt without Government support. So our support is continuing to be supplied in the short-term for the transition and thereafter we expect it to come to an end.

The company is currently negotiating its lending facilities, its refinancing facilities. No anticipation of a guarantee needed to be supplied to the Government. That is a significant change from where we are currently and that alone justifies the restructuring.

The liabilities of Petrotrin, why are we not transferring them?—a question from Sen. Haynes. We are not transferring them because we are keeping the entity that is Petrotrin alive to deal with those legacy issues. We do not want to burden the new operations with those issues, so that we are leaving Petrotrin to deal with those, including, Sen. Mark, AV Drilling. The matter is already before the court. It will be dealt with in the normal course of things. Decisions will be made. The court will decide what needs to happen and that will happen without the interference of this Government.

We do appreciate that the restructuring creates job losses. It is not something that we took lightly. It is not something that we are treating lightly. We are, as part of the termination, the company is providing the employees with the support and I appreciate that there are those who will not come forward for the support and I do not know what measures can be put in place to deal with them. But the support is available to anybody who wishes to take advantage of it.

But, we had to weigh that against the implications for the 1.3million Trinidad and Tobago citizens, if we did nothing. And although it was a hard decision, it was the only decision that we had available to us. Because doing otherwise or doing nothing would have resulted in much more detrimental implications for us all.

Sen. Teemal recognized the importance of World Children's Day and as you

Sen. The Hon. A. West (cont'd)

will see, our colleagues, my colleagues also recognize it and it is not just a mamaguy approach. We decided to support, openly support, the World Children's Day because we appreciate the importance of children for our future. We are custodians of Trinidad and Tobago, for the benefit of the children who will come in the future. And the choice that we had, with respect to Petrotrin is to burden those children, the future generations, with a debt that was unmanageable or to convert the entity to a state of profitability so that they could get a return, so they could have the additional source of income to secure their future.

Remember I said not only do we have the existing debt, which is already hefty, the only way we could continue to operate was to pump an additional \$25 billion into Petrotrin. Imagine the impact of that on the future generation. So we had that choice on the one hand, versus the choice of shutting down the refinery and admittedly, negatively impacting net 3,200 jobs direct or leaving it in a state where the whole country could be negatively impacted by the burden of the debt and the burden that is Petrotrin. So it was a tough decision but it is one that we did not really have a choice on. So we did take the future generations into account and we decided it would not be responsible of us to do anything other than what we are doing. They would not benefit if we did not take strong action.

Sen. Hosein made some strange points, among them being that the company's documents indicated that there was no restriction on the transfer of shares and there was no restriction on the power to create by-laws. I do not know if you can point to a list of state companies where their company incorporation documents indicated that there is a restriction on the transfer of shares. Was there a restriction on the transfer of FCB shares when the last administration sold 25 per

cent of those shares? It is not customary. The standard approach in incorporating companies, whether it is a state company or not, is to not place a restriction, except in very limited circumstances. And it is then up to the Corporation Sole, with the concurrence of the Government that the Corporation Sole is part of, to determine what should or should not happen with that State enterprise. So saying that because the incorporation documents are in its standard form, means that the State may lose control of Petrotrin, I find it is a stretch of an argument.

Mr. Vice-President, Sen. Hosein also talked about illegal actions in this restructuring. There is no illegality. We are transferring the land from PSAEL to Petrotrin because we have been advised that the attempt to transfer in 2015 was not effective. So if the Order in 2015 is invalid, then there is no need to revoke it, in order to transfer it through the Vesting Order.

Sen. Khan would already have dealt with the issue of Mr. Wiley, so I will leave that alone. Sen. Richards, I do acknowledge your concern about the issue of continuity, and it is something that we need to deal with. But it would be difficult to deal with in the context of this Order. We will have deal with it in a more comprehensive manner because our system of government and election every five years potentially changing, does create challenges for continuity and governance and all of these things. So it is something that I think requires a national debate and then a decision as to how we move forward. So, I will agree with you on that.

Renewable energy, we did not deal with in this context because we were dealing with the current operations of Petrotrin. That is something that we are addressing, as I would have indicated to this House previously, but we will address it through another mode.



Sen. Obika indicated that because the price of oil had improved, that we should not have the problem of losses at Petrotrin.

**11.30 p.m.**

I think that issue was adequately dealt with by my colleague, the Leader of Government Business, but let me reiterate. It is not the absolute price that is important, it is the relative price of what we pay, what it cost to refine, and this is what we could sell it at. And as I have indicated, and as Sen. Khan has indicated, the company now, despite how—because remember, every time the price of oil goes up, we have to continue to purchase 70 per cent of what we need to refine. So the more the price goes up, is the more we pay. And if after paying that significant amount, it costs us more to refine it and we can sell it for, it is not a winning proposition, regardless of how high the price goes. [*Crosstalk*]

We are not chastising Petrotrin for its contribution to Trinidad and Tobago. We recognize the contribution that Petrotrin has made, but what we are saying is that, as with all businesses, things change, things evolve, they have to be reassessed, and adjustments have to be made to ensure ongoing sustainability. As my colleague Sen. Le Hunte would have said, that was not done in a proactive manner in Petrotrin, which is why we have come to the position where it is a do or die situation, we have to make tough decisions.

Going forward, as I said, the approach is, ensuring that the companies do strategic plans, that we follow up on those plans, and that we ensure that things are moving smoothly, so as and when adjustments need to be made they can be made proactively. So that is one of the things that we plan to do differently, so that we do not get ourselves back in this position.

As I indicated in the previous debate, we have been taking that approach with the Caribbean Airlines operation and we are seeing positive results. I heard the CEO reporting a couple of days ago on the operations and results of the company. And you can see that they are making positive strides, and performing the way they should be performing. And that is assisted by the fact that from time to time we call them in, we get a report, we ask questions to ensure that they stay on track, and that is what we will have to do with Petrotrin as well.

The issue of the pension plan again, we dealt with that, but let me reiterate. The pension plan at Petrotrin is currently funded to the tune of \$9 billion. The only thing that would put that at risk is if we decided we were going to wind up the plan and purchase annuities for all the members of the plan. As Sen. Khan indicated, that is not even a feasible option, because there is no company in Trinidad and Tobago that can bear the cost of such a massive pension plan buyout. So what we propose to do is treat it as a closed plan continue to pay the pensions as people attain retirement age.

In a worst-case scenario, we expect that plan to be able to cover its costs and its liabilities, up to at least 2014. And the issue will be monitored, investments will be scrutinized, so that we can continue to meet our obligations as they arise, and if it does not perform as well as we would want it to then the company will have to take certain decisions. But the actuaries have confirmed to us that the pension plan is in a sound position and it is viable for a least the next two decades.

So we are not concerned about the pension plan and I do not want the members of the public and the employees in particular to go away with the concern that there is a risk to their pension plan because we do not think there is.

Sen. Le Hunte adequately dealt with the issue of the challenge to the rate of interest that Petrotrin is paying on its bonds, so I will not address that issue again.

There is a perception that the Government is seeking to conceal information, and that is certainly not the case. This restructuring is a moving target it is something—what happened was that the Government was faced with the performance of Petrotrin and faced with the looming payment of the significant bullet payment that is due in 2019. It recognized that what needed to happen was that a decision had to be taken on Petrotrin. That took some time because of committees and reports and investigations and consultants, and having taken the decision the restructuring had to come soon thereafter to give the company enough time to renegotiate that debt.

And so it is not something we could have paused and put all the blocks and mortar to before we moved. So we would have liked to come to you and say, “Okay this is the structure, these are all the directors and consultants and employees and whatever and can we now agree the vesting order, so that we can move forward.” But because everything is happening so quickly we have to move expeditiously to get this done. The Vesting Order has to be approved before the end of the month, to allow the company to go forward with the restructuring, to allow it to go forward with its refinancing. So that we are not faced with the problem of a bullet payment that the company cannot meet and that the Government cannot meet in a couple months’ time.

So, it is only that reason that has us in the position where we bring information to you as it becomes available. So, for example, we were not trying to mislead the public when we said to you that we were terminating 2,800 people

rather than 5,000 people. We decided what we were going to do was close down the refinery and there would be job losses. The company then had to make the decision as to whether you terminate everybody and bring back those you want or you do a VSEP where only some go. So, the communication of that while the decision was being made may have led people to think that we were misleading you and giving you conflicting information. But that was not the—either the purpose of the intention or the approach. [*Crosstalk*] So that is the reason why the information is coming to you as it is.

So, as the Minister of Energy and Energy Industries said, the Minister of Finance who is the Corporation Sole and therefore the shareholder of the company on behalf of the Government, is currently working on appointing the board members. There will be some commonality with the current board depending on the nature of the operation and the company concerned we may bring in additional directors to support in various areas. But, and as soon as those decisions are made they will be public. It is not an intention to hide it, it is just as I said everything is happening at the same time. [*Crosstalk*]

So, Mr. Vice-President, in essence what we are doing is trying to save a company that we are convinced has a lot of potential, but that has not been maximizing that potential. Because the area where the potential exists which is production and exploration has been ignored, to be sacrificed for the refinery. The refinery being the part of the operation that is not a sustainable operation. We have to reverse that. We have to make Petrotrin an entity that is no longer a ward of the State, that is no longer a drain on the State, that can contribute to the national coffers, that can pay its royalties and supplemental petroleum tax and petroleum

profits tax and hopefully a dividend as well.

So that, that is the only reason we have taken the decision we have taken to restructure Petrotrin. As I said, the company's management and board have looked at it, they have come up with their plan, they are comfortable, their finances are comfortable that there is a sound basis to anticipate that they can turn things around. And so that this approach by the Government is the only approach that makes sense.

For those on the other side who are saying to us, "We would never have fired these people. We would not close down the refinery. We would essentially leave things the way they are." That reminds me of a very popular saying or a very popular definition, "insanity is doing the same thing and expecting a different result". [*Crosstalk*] While I would not draw any conclusions regarding those who have made the comment that we should leave things the way they are. What I can say is that this Government is not insane. Not only did we want a change, we need a change in the result of Petrotrin. The only way to get that change is to do things differently. [*Crosstalk*] We have done the consultations, we have spoken to all we need to speak to and we have come up with a plan—

**Mr. Vice-President:** Okay, there is no need to—Minister, just one second. There is no need to talk at the Minister when she is speaking. Please allow her to make her contribution. Minister, continue.

**Sen. The Hon. A. West:** Thank you, Mr. Vice-President. Yes, as I was saying, we have looked at it. We have done the consultations. We have met with all the relevant stakeholders. We have come up with a plan that we are comfortable with, and will give us the right result. It does require on going monitoring as all

operations do and we have been taking that approach. We believe that this will work for the benefit of all of Trinidad and Tobago.

The Vesting Order merely allows us to do the restructuring in a more efficient manner than would have occurred under the normal conveyancing approach and this is why we have brought the Order before you. We are asking for your support so that we can move forward and save the company and save Trinidad and Tobago.

Mr. Vice-President, I thank you and I beg to move. [*Desk thumping*]

*Question put and agreed to.*

*Bill accordingly read a second time.*

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

*House in committee.*

**Mr. Chairman:** Hon. Senators, there are eight clauses, six Schedules and a preamble in this Bill. As per usual we will go through clause by clause and no amendments were circulated as far as I am aware but as we go through clause by clause if there are amendments, then you will indicate as such at the appropriate time.

*Clauses 1 to 8 ordered to stand part of the Bill.*

*Schedules 1 to 6 ordered to stand part of the Bill.*

*Preamble approved.*

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

*Senate resumed.*

**Sen. The Hon. A. West:** Mr. Vice-President, I wish to report that a Bill entitled the Miscellaneous Provisions (Heritage Petroleum, Paria Fuel Trading and

Miscellaneous Provisions (Heritage Petroleum  
Paria Fuel Trading and Guaracara Refining Vesting  
Bill, 2018  
Sen. The Hon. A. West (cont'd)

2018.11.20

Guaracara Refining) Vesting Bill, 2018, was considered in Committee and was approved without amendment. I now beg to move that the Senate agree with the Committee's report.

*Question put:* That the Senate agree with the Committee's report.

**Sen. Mark:** Division.

*The Senate divided:* Ayes 15 Noes 6

AYES

Khan, Hon. F.

Gopee-Scoon, Hon. P.

Baptiste-Primus, Hon. J.

Rambharat, Hon. C.

Sinanan, Hon. R.

Moses, Hon. D.

Hosein, Hon. K.

West, Hon. A.

Le Hunte, Hon. R.

Lester, Dr. H.

Singh, A.

Cummings, F.

Dookie, D.

Simonette, G.

Young, N.

NOES

Mark, W.

Miscellaneous Provisions (Heritage Petroleum  
Paria Fuel Trading and Guaracara Refining Vesting  
Bill, 2018  
Sen. The Hon. A. West (cont'd)

Haynes, Ms. A.

Ameen, Ms. K.

Hosein, S.

Obika, T.

Ramdeen, G.

*The following Senators abstained:* Mr. P. Richards, Ms. S. Chote SC, Dr. V. Deyalsingh, Mrs. A. Deonarine, Ms. C. Seepersad and Mr. D. Teemal.

*Question agreed to.*

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

**Sen. Mark:** Division, Sir.

*The Senate divided:* Ayes 15 Noes 6

AYES

Khan, Hon. F.

Gopee-Scoon, Hon. P.

Baptiste-Primus, Hon. J.

Rambharat, Hon. C.

Sinanan, Hon. R.

Moses, Hon. D.

Hosein, Hon. K.

West, Hon. A.

Le Hunte, Hon. R.

Lester, Dr. H.

Singh, A.

Cummings, F.



Miscellaneous Provisions (Heritage Petroleum  
Paria Fuel Trading and Guaracara Refining Vesting  
Bill, 2018  
Sen. The Hon. A. West (cont'd)

2018.11.20

Dookie, D.

Simonette, G.

Young, N.

NOES

Mark, W.

Haynes, Ms. A.

Ameen, Ms. K.

Hosein, S.

Obika, T.

Ramdeen, G.

*The following Senators abstained:* Mr. P. Richards, Ms. S. Chote SC, Dr. V. Deyalsingh, Mrs. A. Deonarine, Ms. C. Seepersad, Mr. D. Teemal.

*Question agreed to.*

*Bill accordingly read the third time and passed.*

**12.00 midnight****ADJOURNMENT**

**The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan):** Mr. Vice-President, I beg to move that this Senate do now adjourn to Tuesday the 27<sup>th</sup> of November, 2018, at 1.30 p.m. That is Private Members' Day, and from my understanding, the Opposition will be debating the Petrotrin issue again.

**Hon. Senators:** Again!

**Mr. Vice-President:** Hon. Senators, before I move the Motion on the adjournment, approval has been given for two matters on the adjournment to be

raised.

**Rising Youth Unemployment**  
**(Implications for Economic Development/Social Peace)**

**Sen. Taharqa Obika:** Thank you, Mr. Vice-President. As I rise to raise this matter on the adjournment, the Motion for the adjournment of the Senate, it speaks to the theme of today which is international or Universal Children's Day, regarding rising youth unemployment and its implications for economic development and social peace.

Now, it is clear that the Government has placed the nation's youth under attack, and this can have a deleterious impact on social peace, as it is the nation's youth that are always historically at the heart of social upheavals, whether it be in the 1890s; whether it be 1904, the Red House, the water riots; whether it be 1937 with the Butler riots; 1970, from the university students in what is called the Revolution of the Masses of Trinidad and Tobago, not the "Black Power Movement"—the proper name is Revolution of the Masses of Trinidad and Tobago—and then 1990. So any social upheaval in this country, at the heart of it has been youth and more so, educated youth.

So furthermore, if the youth of this country are not engaged productively they cannot be expected to be contributing to national development. As the saying goes, "idle hands"—I cannot say the other part; there is a negative outcome. So the areas that prove this Government has placed the nation's youth under attack—there are six areas. One, high youth unemployment. Based on the antiquated statistics from the Central Statistical Office, which carries you only up to the end of September 2017, since this PNM Government has come into office, 18,800 youths have lost jobs. The total number employed has dropped by 18,800, up to

September ended last year. We can only guess what is the figure now. And since a lot of the persons being retrenched summarily from Petrotrin would be classified as youth, that is, persons under the age of 35, so I am taking, based on CSO statistics, 20 to 34 years, that age group.

The other point is narrowing of the GATE programme, virtually almost closing it entirely outright, especially with particular institutions. For example, Mr. Vice- President, if you want to be a chartered accountant today, because the University of the West Indies has ceased to offer accounting at the Master's level, at the graduate level in Trinidad and Tobago, so if you want to be a chartered accountant, which is pertinent to every single institution in Trinidad and Tobago, you cannot access GATE to be that. You have to get it at a private institution, and many of those institutions, they have taken the GATE programme away from them.

I was at one pre-budget consultation and they were lamenting this; this is an accounting school. Many schools across the country, significant professions have been cut out of the GATE programme unceremoniously by this Government. They have been stifling the On-the-Job Training Programme. This points to the total incompetence of the Minister of Labour and Small Enterprise Development. Just before the election they are going to be bringing it back to give our youth two years of butter after "de salt dey sucking" for three years.

Number four, collapse of the graduate employment schemes. They promised graduate employment "hototo"; well we know that was a farce. Number five, unemployment of a reported 200-plus doctors. And in this country of Trinidad and Tobago, if you say you are a doctor, that is an aspirational position. So can you imagine the impact, the negative impact on the aspirations of all our

youth who would ask, “If they could keep doctors on the breadline, who is me?” “Who am I who want to be”—probably a finance person, an engineer, a semi-skilled person, you know. Who am I? If they could keep doctors on the breadline, who am I?

Number six, shutting down skills acquisition campuses of the National Energy Skills Centre, which effectively locks out our young persons from the skilled and semi-skilled jobs which are very lucrative, in manufacturing, in oil and gas and in industry.

Now, Mr. Vice-President, under Goal 8 of the 2030 Agenda for Sustainable Development of the International Labour Organization titled, Decent Work and Economic Growth, the ILO has sought to buttress the Millennium Development Goals by seeking to promote inclusive and sustainable economic growth, employment and decent work for all. The ILO reiterated that all must share in economic progress and national advancement; all must share. This Government has failed therefore to place job creation at the heart of economic policymaking and development plans, in particular for the youth. Under the PNM, this nation has seen youth struggling to progress.

I told you of 18,800 youths unemployed, and I reminded you that every single generation in the history of Trinidad and Tobago, since the end of chattel slavery has been visited with an upheaval of youth in this country. And if this Government is not careful, they will precipitate with the closure of Petrotrin another of such. So, the majority of persons who are without jobs are youths in Trinidad and Tobago. The ILO says it is a virtual cycle that is as good for the economy as it is for people when one drives sustainable development.

Now, one point I want to raise is, if you look at what happened before

2015—I am quoting to 2015, which was the last full quarter of the People's Partnership Government—the persons with jobs in the age group mentioned was 35,000, 20 to 24 years old; 25 to 29 years old and 30 to 34 years old, it was 143,000. It has dropped to 124,200; 18,800. In the category 20 to 24 years—

**Mr. Vice-President:** Senator, you have two minutes.

**Sen. T. Obika:** Thank you, Mr. Vice-President. The unemployment rate is 9.9 per cent, 10 per cent. In 25 to 29 years, it is 7.7 per cent, roughly 8 per cent unemployment. What this country needs is to arrest this situation; this Government must put youth employment at the top of their agenda; graduate unemployment must be a thing of the past. Petrotrin hires approximately 200 per year in the graduate programme, so that has gone as well. The Government must put jobs of the future, including coding, the Internet of things, computerized numerical control and app development at the centre of learning, and must provide jobs for our nation's youth, before they precipitate another such social upheaval in Trinidad and Tobago. I thank you.

**The Minister of Labour and Small Enterprise Development (Sen. The Hon. Jennifer Baptiste-Primus):** Mr. Vice-President, I rise at 12.09 a.m. to respond to some of the most outrageous, outlandish, ridiculous and untrue statements made by Sen. Obika. You know, one thing about the Opposition, they remain consistent, fake news. They just pluck wild figures out of their fertile imagination and put it into the record without substantiating anything that they say. So it is my duty to debunk the untruth that my colleague, Sen. Obika—[*Crosstalk*]

Mr. Vice-President, Sen. Obika speaks about 18,800 youths losing their jobs in this country. Where did he get those figures from? Where? Those figures did not come from the CSO. Those figures did not come from the CSO.

**Sen. Obika:** Standing Order 46(6), imputing improper motives. It is from the CSO. Central Bank has an economic bulletin.

**Mr. Vice-President:** Senator.

**Sen. Obika:** Do not embarrass yourself. [*Crosstalk*]

**Mr. Vice-President:** Senator! Senator!

**Hon. Members:** Sit down! Sit down!

**Sen. Obika:** It is from the CSO. If you do not know better, do not embarrass yourself. Do not embarrass yourself. If you do not know better, keep quiet!

**Mr. Vice-President:** Sen. Obika, I think you are well aware by now that that kind of behaviour is not to be tolerated at no point in any proceedings of this Senate. If you have a point of order to raise, you state the point of order and allow the Chair to rule upon that point of order. What you just did is out of order. Do not let it happen again, ever. Minister, continue.

**Sen. The Hon. J. Baptiste-Primus:** Thank you, Mr. Vice-President, for restoring the dignity of this House. [*Desk thumping*] Sen. Obika stood on his legs and he spoke about stifling of the OJT programme, another untruth, not substantiating that either in this House. I think we have all become accustomed to the manner in which he treats with information in a very untruthful way. But Mr. Vice-President—

**Sen. Obika:** Standing Order 46(6), the Member is imputing improper motives.

**Mr. Vice-President:** Continue, Minister.

**Sen. The Hon. J. Baptiste-Primus:** I am a woman of great patience. I have children and grandchildren who behave just like that.

**Sen. Obika:** Standing Order 46(4), it is offensive and insulting. [*Crosstalk*]

**Mr. Vice-President:** Can I have silence, please? Minister, continue your

response but just temper the language a bit.

**Sen. The Hon. J. Baptiste-Primus:** Thank you very much, Mr. Vice-President. Sen. Obika stood on his legs here a short while ago and accused this Government of stifling the OJT programme, no evidence to support that, and it is my responsibility to debunk such untrue statements.

Mr. Vice-President, the Government in our 2015 Manifesto policy document articulates the position that our youths are vital to the future development of this country. We agree that youths must be nurtured, they must be listened to, they must be protected, they must be encouraged, they must be given proper guidance and easy access to education and personal development, health care and meaningful employment. They must also be supported and provided with the means to grow and develop. In addition, they must be given opportunities to participate in Government and the public and private sector at the highest levels.

Mr. Vice-President, the Government's intervention in addressing youth unemployment is reflected in the implementation of a host of programmes, initiatives by a cross-section of the social sector Ministries and agencies. The Government of Trinidad and Tobago continues to play its part by investing in ways to improve the lot of the youths in this country.

Mr. Vice-President, the On-the-Job Training Programme, which was formerly under the Ministry of Tertiary Education, was placed under the Ministry of Labour and Small Enterprise Development in September 2015, and became a division under the Ministry of Labour and Small Enterprise Development with effect from June last year. This programme is geared towards addressing the challenge of adequately preparing our youths to meet the labour market needs, and to fit in the ever-changing structure of a modern organization. These youths are

given the opportunity to apply their acquired knowledge in a safe environment that stimulates maximum exposure to the field of their choice. We help build their career paths.

This programme, the OJT Programme, facilitates internship across a wide spectrum of industries, including civil and mechanical engineering, social work, legal, agriculture, education, information technology, accounting, business, health and much more. It is important to note that vocational qualifications are not sidelined by the programme in favour of academics. Every attempt is made to include persons who have vocational training.

This programme facilitates trainee placements at five qualification levels, and I would advise Sen. Obika to pay particular attention. Level 1, high school passes; level 2, craft level certification; level 3, advanced proficiency diplomas; level 4, associate degrees; level 5, undergraduate degrees, and level 6, master's degree. We place all our young people with those qualifications into the private sector, into the public sector and into NGOs, Mr. Vice-President.

**Mr. Vice-President:** Senator, you have two minutes.

**Sen. The Hon. J. Baptiste-Primus:** The total trainees in this critical OJT Programme at this point in time is 3,195 when you remove the exits, because you can only stay in the programme two years, from 16 years to 35 years. This Government took a decision to increase that amount to 5,000 in this year, in this fiscal year. In the Ministry of Labour and Small Enterprise Development we have continuous interviews taking place, with all these young people coming in with hopes, hopes that we meet by ensuring their place in employment, in keeping with their career paths.

Mr. Vice-President, so that this Motion that Sen. Obika has placed before



this House lacks credibility. It lacks factual information and therefore ought to be discounted. I thank you. [*Desk thumping*]

**Telecommunications Services of Trinidad and Tobago  
(Employee Retrenchment)**

**Sen. Wade Mark:** Thank you very much, Mr. Vice-President.

Over the last few days, the Telecommunications Services of Trinidad and Tobago has retrenched over 500 workers. We are advised by TSTT that another 200 workers will be soon retrenched; that follows on the heels in 2014 of some 400 workers via a voluntary separation programme or package. So, Mr. Vice-President, we are talking about in the space of less than four years—'14, '16, yes, four years—the TSTT would have retrenched some 1,100 workers.

We are also advised that the Government of Trinidad and Tobago owes TSTT for CCTV services some \$400 million or thereabouts. We are also advised, and it is a fact, that one of their financiers, Neal & Massy, or Massy, in some deal they were able to purchase Massy Communications for \$250 million, and up to this time we as a Parliament cannot get the sale agreement on that matter, even though we have demanded it as a Parliament, up to this day. So we do not know what is true and what is false in that whole scenario that took place.

So they owe TSTT over \$400 million I understand. They had this deal with Massy, one of their financiers, for \$250 million and on the heels of that what did TSTT do? Its board and management, they retrenched close to 500 workers, and they are threatening to retrench over 200 workers in the coming months. That is for the deal that they arrived at with Massy Communications. So, the workers are paying for a deal with Massy Communications. So 500 of them home and 200 more going home, because of corruption on the part of the Government and the

TSTT management and board. Workers must pay that price.

And you know what is even more alarming? They hypocritically tell this country and the workers that they have offered them enhanced packages. What do they mean by that, Mr. Vice- President? They are saying, under the Retrenchment and Severance Benefits Act, the workers are really entitled to two weeks' pay for each year of service. But what they are not telling the workers, under the same Retrenchment and Severance Benefits Act, section 18, subsection (2) where a subsisting collective agreement exists, once the terms and conditions are superior to that of the Severance and Retrenchment Benefits Act, what will take precedence?—18(2), the collective agreement. So there is no enhanced package for the workers as they are claiming.

Mr. Vice- President, I want to let you know that the Government of this country has embarked on a campaign of union busting. I want the Minister of Public Utilities to be conscious of what is taking place at that place called TSTT. Would you believe that under the watch of the Minister of Public Utilities, they have literally dismissed through this retrenchment of over 500 workers, the following union officials. This is why I tell you, Mr. Vice- President, the Government of Dr. Keith Christopher Rowley is under a union busting strategy and the TSTT is part of that strategy. Mr. Vice-President, tell me if you do not agree with me.

I have information from the Communication Workers' Union as it relates to the number of union executive officers who have been targeted by TSTT in terms of retrenchment. The Secretary General was retrenched. They targeted the Secretary General of the Communication Workers' Union for retrenchment. The Minister should know this, and if he is not a union buster himself, he should take

action against the people involved.

The Education Officer of the union has been busted, “dey lick him”—well, I do not want to say “lick him up”; they have dismissed him. The trustee has been sent home; another trustee has been sent home. That is four from the head branch. In the southern branch they sent home—they target, eh—the Secretary Treasurer, a member of the Management Committee, another member of the Management Committee, the Chairperson of the senior staff in south. They target the people who they want to bust and “lick up” and destroy.

In the eastern division and branch of the union they target the Secretary Treasurer, retrenched. They target a general council member, retrenched. They target a shop steward, retrenched. In the western branch they have retrenched close to nine union members, in fact 11. Mr. Vice-President, in your own little island that they want to corrupt through Sandals, Tobago, they have targeted a union official, her name is Karen Dottin. She is the Secretary Treasurer of the Tobago branch of the TSTT.

But you know what they did today? Mr. Vice-President, because you had a convention—when I say you, the party that you belong to had a convention in Tobago—you know what they did? Today, because “they know” I was bringing this here today, they sent a letter to this girl called Karen Dottin actually taking back, rescinding the decision to retrench her, and she is now back on the job, because “they know” we were bringing this matter here today and they did not want to embarrass the Vice-President. [*Desk thumping*] They did not want to embarrass the Vice-President because he is from Tobago. “Yuh understand?”

**Mr. Vice-President:** I think you are aware of the Standing Order of introducing or bringing the Chair into the debate. Just advising.

**12.30 a.m.**

**Sen. W. Mark:** So, Mr. Vice-President— [*Interruption*] No, I was just teasing him.

So all I am saying, Mr. Vice-President, is that when you look at the figures you will see, out of 500 workers they have actually targeted close to 25 members of the union who are officers of the union, including the highest office leader or union leader, that is the Secretary General, Mr. Clyde Elder. Mr. Vice-President, what is that? If that is not union busting, I do not know what is. So, Mr. Vice-President, I call on the Minister today to level with this Parliament and to tell this Parliament what he is doing about these workers who have been targeted especially for retrenchment. Mr. Vice-President, I thank you. [*Desk thumping*]

**Mr. Vice-President:** Minister of Public Utilities. [*Desk thumping*]

**The Minister of Public Utilities (Sen. The Hon. Robert Le Hunte):** Mr. Vice-President, we are here today to talk about the Telecommunications Services of Trinidad and Tobago (TSTT) and the fact that TSTT is saving, by its actions, over 1,300 jobs, given the present reality that the organization finds itself in. Today's story is not about retrenchment, it is definitely not about targeting anyone in particular; today's story is about survival and remaining relevant so that the organization can continue to provide gainful employment for over 1,300 employees. Mr. Vice-President, the age of digital disruption has affected the world of business in such a fundamental or monumental way that it is absolutely necessary that businesses have a complete paradigm shift in their business model if a company is to remain relevant and successful. Mr. Vice-President, TSTT operates in a very dynamic environment. The telecommunications industry is rapidly evolving into a realm that is heavily focused on digital technology, such as

artificial intelligence, robotics, an Internet of things, and other telecommunication advancements that continue to dictate the pace of TSTT's operations.

In the world of business evolution is a must. Companies must strategically adopt new approaches and even new business models if they want to remain relevant and profitable. Just recently global retail giant, Sears, announced it was closing another 44 stores after closing 188 stores, reason being the whole idea of competition with online shopping. Mr. Vice-President, this reality is no different to TSTT. Global digital disruption in the telecommunications industry continues to pose a threat to TSTT's business, and a change in the company's business model is now necessary. These disruptions include global adoption of over-the-top solutions for communications and entertainment driven by Internet users and bypassing traditional telecommunication systems, not to mention the ever-changing customer demands, particularly around high-speed Internet requirements, value for money, global standards for quality assurance. TSTT must adopt a strategic approach, which I am confident to say the company has done, to ensure that the company not only survives the digital era but it becomes profitable once again. Could you imagine what would happen to TSTT if the company did not embark on this strategic approach?

I do not think I have to remind all of us here that we all know what happened to similar-type companies, like BlackBerry and Nokia. When they were leaders in their particular industry they did not change with the particular time and with the industry, and now we could hardly hear or know much about them. It is in this context that I say TSTT faces the same predicament. Having previously enjoyed a monopoly for a long time, TSTT is not only faced with intense competition, but also with the inability to be sufficiently agile. In its current state the company

cannot successfully surpass its competition and maintain its market share, and such a proactive approach to the company's transformation is urgently needed. Mr. Vice-President, TSTT is a company that recently, in last year's financial faced a \$32million operating deficit. In the last six months financials the company showed a \$478 million loss. Even when you take and you discount the one-off item previously talked about, you are talking about a \$120million operating loss. Business cannot continue as you see. You move from \$60 million to \$120million in six months operating loss.

TSTT has been plagued with problems, with high employee costs that is way above the industry average. They have a wage bill of \$768 million, and when you look at the productivity levels compared to industry standard, again, they are way below the industry standard. Mr. Vice-President, with this continued erosion in the profitability and the reduction of the company's revenue, organizational realignment is mandatory. I believe we can safely say that if TSTT continues with existing employee costs, the company will be insolvent. If TSTT has no business, does not get into a new business model and does not put things in order, it is estimated that with the level of losses that the company has been incurring, by the year 2022 the company's equity base will be totally eradicated. TSTT was a company that was the largest non-oil producer owned by the Government with regard to taxes. You are now in a situation that TSTT, because of the changing time, it is now in a situation whereby they are losing money.

TSTT's major shareholder, 51 per cent, is now owned by NEL. NEL has shareholders who are Trinidadians and Tobagonians, over 5,000 of them who invested in NEL. When TSTT continued to lose money, it means the dividends that NEL is able to pay to the shareholders of Trinidad and Tobago, including

pension plans, they will not be able to pay. TSTT as a company cannot continue. The management of TSTT is taking action. They have put a new business plan in place and they are executing that digitalization business plan. They are going to their zero copper strategy and they are taking actions to move this company to a position that could be profitable once more; it could be agile, and it could be in a position to meet the competition and provide a lot better service.

When you look at the jobs that TSTT has on its records, you are talking about today, legacy jobs, since the days of Textel, people still have jobs like that that are still on the records, telephone booth operators, these are jobs that a company cannot—a new agile company. You cannot compete with Digicel, you cannot compete with Flow, Mr. Vice-President, when you yourself have a staff like this and you have a lot of legacy jobs. Companies around, even Digicel themselves, in this present environment, they have restructured. All the companies around the world—telecommunication companies around the world—they are restructuring. Not because you are a union employee it makes it that you cannot be touched. TSTT's management, making the correct decisions, once again, for the sustainment of the company and to protect the jobs of 1,300 employees, I have confidence that they are doing the job that is required to ensure that the service to the Trinidad and Tobago public and to ensure the survival of all stakeholders.

This is not about union busting, this is about protecting the jobs of 1,300 people, because if we do not, and if the company does not take the action now, the company will be no more. And you know what will happen at that time, there will be no company to employ anyone because they will lose their market share totally. And not only the union, the 20 unionized members would have lost their jobs, every single one would have lost their jobs. This is not about singling out anyone,

this is not about trying to union bust, this is about putting a company back on a new trajectory that will allow it to be profitable and be able to compete, and continue to make a contribution to the coffers of Trinidad and Tobago. I thank you. [*Desk thumping*]

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 12.39 a.m.*