

SENATE

Tuesday, November 27, 2018

The Senate met at 1.30 p.m.

PRAYERS

[MADAM PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Madam President: Hon. Senators, I have granted leave of absence to Sen. The Hon. Dennis Moses and Sen. Wade Mark, both of whom are out of the country.

SENATORS' APPOINTMENT

Madam President: Hon. Senators, I have received the following correspondence from Her Excellency the President, Paula-Mae Weekes, O.R.T.T.:

“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 The Hon. Dennis Moses is incapable of performing his duties as Senator by reason of his absence from Trinidad and Tobago:

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(1)(a) and section 44(4)(a)

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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 27th November, 2018 and continuing during the absence from Trinidad and Tobago of Senator the Hon. Dennis Moses.

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 26th 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. BRIAN NATHANIEL BAIG

WHEREAS Senator Wade Mark is incapable of performing his duties as Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, PAULA-MAE WEEKES, President as aforesaid, in exercise of the power vested in me by section 44(1)(a) and section 44(4)(b) of the Constitution of the Republic of Trinidad and Tobago, acting in accordance with the advice of the Leader of the Opposition, do hereby appoint you, BRIAN NATHANIEL BAIG to be temporarily a member of the Senate, with effect from 27th November, 2018

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and continuing during the absence from Trinidad and Tobago of Senator Wade Mark.

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 27^h day of November, 2018."

OATH OF ALLEGIANCE

Senators Ndale Young and Brian Nathaniel Baig took and subscribed the Oath of Allegiance as required by law.

SESSIONAL SELECT COMMITTEES

(APPOINTMENT OF)

Madam President: Hon. Senators, in accordance with Standing Order 79(2), I wish to make the following appointments to the Sessional Select Committees for the Fourth Session 2018/2019 of the Eleventh Parliament:

Standing Order Committee

| | |
|------------------------|----------|
| Ms. Christine Kangaloo | Chairman |
| Mr. Nigel De Freitas | Member |
| Mr. Clarence Rambharat | Member |
| Mr. Wade Mark | Member |
| Ms. Sophia Chote SC | Member |

House Committee

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|----------------------|----------|
| Mr. Franklin Khan | Chairman |
| Mr. Foster Cummings | Member |
| Mr. Daniel Dookie | Member |
| Ms. Khadijah Ameen | Member |
| Dr. Varma Deyalsingh | Member |

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Committee of Privileges

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| Ms. Christine Kangaloo | Chairman |
| Mr. Nigel De Freitas | Member |
| Mrs. Jennifer Baptiste-Primus | Member |
| Mr. Wade Mark | Member |
| Mr. Deeroop Teemal | Member |

Statutory Instruments Committee

| | |
|--------------------------|----------|
| Ms. Christine Kangaloo | Chairman |
| Mr. Clarence Rambharat | Member |
| Mr. Rohan Sinanan | Member |
| Mr. Gerald Ramdeen | Member |
| Mrs. Hazel Thompson-Ahye | Member |

Business Committee

| | |
|------------------------|----------|
| Ms. Christine Kangaloo | Chairman |
| Mr. Franklin Khan | Member |
| Mrs. Paula Gopee-Scoon | Member |
| Mr. Wade Mark | Member |
| Mr. Paul Richards | Member |

PAPERS LAID

1. Audited Consolidated Financial Statements of Evolving TecKnologies and Enterprise Development Company Limited (e TecK) for the financial year ended September 30, 2017. [*The Minister in the Ministry of Finance (Sen. The Hon. Allyson West)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Princes Town Regional Corporation for the year ended September 30, 2016. [*Sen. The Hon. A. West*]

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3. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Sangre Grande Regional Corporation for the year ended September 30, 2012. [*Sen. The Hon. A. West*]
4. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the Sangre Grande Regional Corporation for the year ended September 30, 2013. [*Sen. The Hon. A. West*]
5. Trinidad and Tobago Housing Development Corporation (Vesting) (Amendment to the First Schedule) Order, 2018. [*The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan)*]
6. Trinidad and Tobago Housing Development Corporation (Vesting) (Amendment to the First Schedule) (No. 2) Order, 2018. [*Sen. The Hon. F. Khan*]

URGENT QUESTION

Maternity Ward, Mt. Hope Hospital

(Bacteria Outbreak)

Sen. Khadijah Ameen: Thank you, Madam President. Question to the Minister of the Health: In light of the recent reports of the bacteria outbreak at the Maternity Ward of the Mt. Hope Hospital resulting in the death of newborn babies, can the Minister indicate what urgent measures are being implemented to address this problem?

The Minister of Health (Hon. Terrence Deyalsingh): Thank you very much, Madam President. We are coming to the end of that time of the year when we have a surge in deliveries. Those statistics are well known after Carnival. We have also had an unusual occurrence where many mothers are giving birth prematurely now. In the cases, in both San Fernando and Mt. Hope, we have women presenting to give birth as early as weeks 25 to 30 in these cases, and they are giving birth to

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babies as little weight as one pound. So when you have these severely preterm deliveries, low birth rate, and in some cases they are being born with infections transmitted from the mothers, these babies unfortunately have little chance of survival. Those are the three main reasons why we have a slight uptick:

1. The number of births post-Carnival;
2. A rash of preterm deliveries as low as 25 weeks to 30 weeks;
3. Low birth rate, as low as 500 grams or one pound; and
4. A couple are being born with severe infections acquired from their mothers.

I have been advised by the Director of Women's Health not to go into details in an effort to preserve the dignity of the mothers, and not to give out too much information as to specific infections because it may impact on patient privilege. Those are the reasons and we are taking all reasonable steps to cope with the issue.

Thank you very much, Madam President.

Sen. Ameen: Madam President, I thank the Minister for his statistics, however—and I noted that he indicated urgent steps are being taken, but the question really is what urgent steps, without disclosing the mothers' names and so on. That is not necessary.

Hon. T. Deyalsingh: I am grateful for the Senator—and, first of all, Sen. Ameen, I must say I am glad that your recent accident—that you are fine. [*Desk thumping*] I sincerely mean that. So what we have done is expanded our Neonatal Intensive Care Unit or NICUs. ICU and you put “N” in front of it for Neonates—NICUs. We have doubled the space in San Fernando, we have expanded Mt. Hope so we can have more spacing between the cots carrying the babies in excess of WHO's recommendation of 30 inches or 2½ feet between cots. That is to minimize transmission of infection from one baby to another. We have also stepped up our

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infection control. We have revisited all the protocols, retrained, limited access to NICUs. Before, you might want to have freer access, but because of this rash of infections we are limiting access to NICUs all over the country because what is happening in one could happen in another one.

But, Madam President, as I say, it is an unfortunate amalgamation of factors and we are doing everything possible to give these little babies a fighting chance. But unfortunately, sometimes circumstances stack up against them when they have an underdeveloped respiratory system. Could you imagine a one-pound baby being born with an infection? That baby's chances of survival—and we have two doctors on the bench—are very, very slim.

Thank you very much.

Sen. Ameen: Madam President, the Minister mentioned that babies all over Trinidad could face this situation apart from Mt. Hope. If you would permit me, Madam President, in any other hospitals in Trinidad are they being equipped to handle that type of infection?

Hon. T. Deyalsingh: Thank you, Madam President. And what we have done, Sangre Grande Hospital never had a NICU which is an indictment on the country, not a Government. Never had a NICU. They have one now. The Port of Spain Maternity Hospital had a NICU but in the past year we have expanded and now it is one of the most modern NICUs in the Caribbean. [*Desk thumping*] San Fernando Hospital should have had a brand-new NICU 20 years ago. Twenty years ago. We as a country failed San Fernando Hospital. Not any political party. As a country we failed and we are taking steps now to build a brand-new NICU in San Fernando.

Sen. Ameen: How many units?

Hon. T. Deyalsingh: How many?

Sen. Ameen: Units.

Hon. T. Deyalsingh: I do not have the figures as to how many units, but it is going to be almost as big as Port of Spain. Okay? Thank you very much, Madam President. [*Desk thumping*]

ANSWERS TO QUESTIONS

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, the Government is pleased to announce that it will be answering all questions, save and except question No. 24. We ask for a two-week deferral.

WRITTEN ANSWERS TO QUESTIONS

No. 6 Elizabeth Street, St. Clair

(Terms of Lease)

8. **Sen. Gerald Ramdeen** asked the hon. Attorney General:
- What are the terms of the lease for the building situated at No. 6 Elizabeth Street, St. Clair and currently being used by the Judiciary for the Children's Court?

Reports of Child Abuse in Tobago

(Details of)

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

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iv. what is being done to curb the incidence of child abuse in Tobago?

Vide end of sitting for written answers.

ORAL ANSWERS TO QUESTIONS

Decriminalization of Marijuana

(Introduction of Legislation)

The following question stood on the Order Paper in the name of Sen. Wade

Mark:

24. In light of the announcement by the Government that it intends to bring legislation to address the decriminalization of the use of marijuana, can the hon. Attorney General advise how soon such legislation will be introduced and whether there will be public consultation on same?

Question, by leave, deferred.

Kroll Consulting of Canada

(Total Fees Invoiced/Paid)

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

Can the Minister provide the total fees invoiced and/or paid by Petrotrin to Kroll Consulting of Canada for the report on the alleged discrepancies with oil receipts from private operators and more particularly A&V Oil and Gas Ltd.?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam President. Madam President, the answer to question No. 5 is as follows:

Invoice No. 3912145 dated October 30, 2017, \$179,098.78 fee, and \$31,605.67 withholding tax;

Invoice No. 3912132 dated October 03, 2017, \$25,000 fee, \$4,411.76

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withholding tax;

Giving you a grand total of \$240,116.21 inclusive of withholding tax.

Sen. Ramdeen: Thank you, Madam President. Madam President, through you, to the hon. Minister: Hon. Minister, those figures that have been given on the invoices, those are figures in TT dollars or in US dollars?

Sen. The Hon. F. Khan: TT dollars. It was quite reasonable.

Sen. Ramdeen: Okay. Through you, Madam President, to the hon. Minister: Are there any outstanding fees to Kroll Consulting of Canada in relation to this matter?

Sen. The Hon. F. Khan: I am not entirely seized of the matter but I doubt, seeing the amount of time that has elapsed, but I can always cross-check that and get back to you.

Discrepancies with Oil Receipts

(Legal Fees Invoiced/Paid)

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

Can the Minister provide the total amount of legal fees invoiced and/or paid by the Ministry to attorneys-at-law retained to advise on the alleged discrepancies with oil receipts from private operators and more particularly A&V Oil and Gas Ltd.?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, no attorneys-at-law were engaged, invoiced and/or paid by the Ministry of Energy and Energy Industries in this matter.

Payment by Petrotrin

(Litigation Fees)

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

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Can the Minister provide the total amount of fees invoiced and/or paid by Petrotrin to attorneys-at-law for advice and representation in litigation arising out of the alleged discrepancies with oil receipts from private operators and more particularly A&V Oil and Gas Ltd.?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, the total fees paid to attorneys by Petrotrin in the subject matter is \$1,549,993.36.

Sen. Ramdeen: Madam President, to the hon. Minister, through you: Minister that figure that you gave of \$1 million plus—that includes all legal fees, litigation and non-litigation by Petrotrin in relation to this matter in these matters all the way up to the Privy Council?

Sen. The Hon. F. Khan: My understanding is that is the case. The only outstanding matter now is the arbitration which is something completely different.

Closure of Petrotrin Refinery

(Details of Fuel Suppliers)

23. Sen. Wade Mark asked the hon. Minister of Energy and Energy Industries:
In light of the decision of the Government to close the Petrotrin Refinery, can the Minister indicate which countries/suppliers will be supplying fuel to Trinidad and Tobago and how were they selected?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, like it only have one Minister in this House, [*Laughter*] but I accept it. Madam President, no one company will be given exclusive rights to supply products to Trinidad and Tobago. International traders, refiners and marketers will be invited to participate in the supply of refined products. The company with the most competitive bid will be awarded the supply contracts. The products will include jet fuel, gas oil, unleaded gasoline 92 and 95 RON.

Competitive tendering consistent with the company's policy and industry standard was adopted for the RFP. The offers were assessed by an evaluation team comprising the executive director, refining and marketing; executive director, finance; the chief financial officer; and the senior manager, marketing and trading. The criteria for the evaluation were as follows:

1. Reliability and flexibility of supply;
2. Competitive commodity pricing; and
3. Attractive commercial and payment terms.

A three-round bidding process which led to the top three offers was employed. The first two rounds in the process allowed for clarification and improvement in prices, which led to the final round and the selection of the top three. All three bidders showed their ability to supply all grades. The successful offer was BP's Latin America Integrated Sales and Trading Group, whose offer was superior on price and commercial terms on the composite cargoes.

On October 27, 2018, Petrotrin received its first shipment of refined fuel, one of 16 cargoes that will be delivered during the next four months under the agreement. This schedule of imported products has been designed to ensure that a 20-day supply of all product grades is assured in the local market. Supplies from January 01, 2019 will be sourced under the new entity, which is the Paria Fuel Trading Company Limited.

Sen. Ameen: Thank you, Madam President. A follow-up question to the Minister: Will the supply of fuel and refined products to Trinidad and Tobago by Paria be in line with the procurement process recommended in the procurement legislation?

Sen. The Hon. F. Khan: Well, the process will be transparent. It will comply with the law. There is nothing untoward. Everything will be offered for tender and there is standard protocols in sourcing this type of business. So I want the country and

the Parliament to be assured that everything will be transparent and above board.

Sen. Ramdeen: Thank you, Madam President. Madam President, through you, to the hon. Minister of Energy and Energy Industries: Hon. Minister, you said that the first shipment from BP came in on October 27, 2018. When that shipment came in, Minister, can you tell us whether the variation in the Common External Tariff was put in place for that shipment at that time on the 27th of October, 2018?

Sen. The Hon. F. Khan: I am not quite sure as to the timeline, but I know the process was in train to get a waiver of the CET.

Sen. Ramdeen: Thank you, Madam President. But, hon. Minister—Madam President, through you to the hon. Minister—to get the CET you have to have the CET before you can bring in that product and be able to clear it through Customs. Correct? Through you, Madam President.

Sen. The Hon. F. Khan: Well, whether you had the CET or not, all you have to do is pay the tariff, okay? But the fact of the matter is that the fuel is subsidized at the pump so it matters not to the consumer what we bring in the fuel as. So if probably the first shipment missed the CET window, so be it, but the CET waiver is now in place.

Sen. S. Hosein: Thank you very much, Madam President. I know the Minister in his answer would have alluded to the bids being on a competitive basis, can the Minister indicate the price that was paid for the first shipment of fuel?

Sen. The Hon. F. Khan: I do not have that price, but it is not a secret and I could make it available.

Sen. S. Hosein: Can the Minister indicate how soon this will be made available to this honourable Senate?

Sen. The Hon. F. Khan: I will try to make it available at the next sitting.

Madam President: Next question. Sen. Ameen?

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Sen. Ameen: Sen. Obika.

Madam President: Will ask question No. 25? Sen. Obika.

**Closure of the Petrotrin Refinery
(Impact on Caricom countries)**

25. Sen. Taharqa Obika on behalf of Sen. Wade Mark asked the hon. Minister of Energy and Energy Industries:

Given the Government's decision to close the Petrotrin Refinery what, if any, negative impact will the decision have on Caricom countries who are purchasers of Petrotrin's petroleum products, including aviation fuel?

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, Petrotrin will continue to have the ability to supply the small multi-product cargoes inclusive of aviation fuel that are required by the Caricom customers and countries. With the change in the business model and Petrotrin having to import products from outside of the Caricom region, there is a possibility of increases in prices bearing in mind that these islands will now have the option to import on the open market.

Sen. Obika: Thank you very much, Madam President. Arising from the hon. Minister's submission, has the Government taken into consideration the extent to which the Caricom neighbours may be impacted, given that he said that there should be some impact?

Sen. The Hon. F. Khan: The Caricom market is unique in that it calls for small package sizes. So not all international traders can facilitate that market. That was the strategic advantage of Petrotrin. However, there are other players in the market. We have gone into a free market situation. We are importing fuel for redistribution to Caricom. They have the option to continue with Paria or Petrotrin as the case may be and they can. There is no CET now on fuel, so they can go to the

international market and source their fuel at the most competitive prices in their opinion.

Sen. Obika: Thank you, Madam President. Given the information shared by the hon. Minister regarding no CET on fuel and the fact that Paria would be coming on line, will there be any attempt by the Government to reinstate the CET once Paria starts to distribute provided that Guaracara refining is up and running?

Sen. The Hon. F. Khan: The CET does not come into play if we are not in the refining business. If and when Guaracara refinery comes back on stream based on what business model we choose, that will be a matter for consideration at that point in time.

Sen. Obika: Thank you very much, Madam President. Regarding the whole scenario played out by the Minister, has the Government quantified the potential loss to Trinidad and Tobago?

Sen. The Hon. F. Khan: Well it is not a potential loss. The new entity that probably will take control of the refinery very likely will have their own marketing arrangement. They will have their own supply of crude, and they will have their own marketing arrangements and their markets to supply. So that is not an issue.

Trinidad and Tobago High Commission in Uganda

(Effect of Closure)

50. Sen. Taharqa Obika asked the hon. Minister of Foreign and Caricom Affairs:

Given the closure of the Trinidad and Tobago High Commission in Uganda, can the Minister inform the Senate whether a prior assessment was conducted to forecast the effect of such closure?

The Minister of Trade and Industry and Acting Minister of Foreign and Caricom Affairs (Sen. The Hon. Paula Gopee-Scoon): Thank you, Madam

President. The closure of the High Commission in Uganda was based on the fact that clear objectives were not achieved, also that cost-benefit analyses determined that anticipated results were not being realized.

It was also concluded that in view of the straitened financial circumstances faced by our twin island Republic, that the expense of approximately TT \$7 million per annum to operate the mission could be better utilized by establishing a mission in a country where tangible gains could be more readily realized and, also, the fact that countries to which the High Commission in Uganda was accredited could be covered by the High Commission in Nigeria, that is, with respect to the countries in Africa, and a mission in the Middle East with respect to countries in that region. Thank you.

Sen. Obika: Thank you very much, Madam President. Could the hon. Acting Minister of Foreign and Caricom Affairs indicate which objectives were not being achieved?

Sen. The Hon. P. Gopee-Scoon: Thank you. Apart from deepening closer relations between Uganda and Trinidad and Tobago, there were definite agriculture diplomacy objectives and also energy diplomacy objectives as well. You would know, and particular Sen. Obika, that a pipeline was being built between Uganda and Kenya, and what we anticipated was that there would be much export of our energy services and also the opportunity to do energy study tours within Trinidad and Tobago so that Trinidad and Tobago could have been part of the building of the capacity of persons from Uganda as they seek to develop their energy industry. That did not materialize. In fact, I think there was only one such tour and that the Trinidad and Tobago Energy Chamber perhaps did only one visit. And what I do know about the agricultural aspect of it is that NAMDEVCO did not quite go the distance that was expected with regard to those projects.

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Madam President: Sen. Obika.

Sen. Obika: Thank you very much, Madam President. Regarding the closure of the mission, one of the countries that the hon. Minister would have mentioned would have been Observer Status at the African Union. Is it that the mission in Nigeria is fulfilling that particular mission?

Sen. The Hon. P. Gopee-Scoon: Thank you. I do believe that the mission in Nigeria will be accredited to the organization—*[Interruption]* Yeah, I do believe it is the embassy in Nigeria.

Madam President: Sen. Ramdeen.

Sen. Ramdeen: Madam President, thank you very much. Madam President, through you to the Acting Minister of Foreign and Caricom Affairs. Minister, in the last three years having regard to the figures that you have given us for the expenses for running this mission, having spent over \$21 million on this mission over the last three years, what benefits has Trinidad and Tobago gotten for that expenditure of almost \$21 million in this mission?

Sen. The Hon. P. Gopee-Scoon: Well, I would extend that to over the last eight years and include the benefits that were perhaps achieved for the last eight years under your Government and also on our Government as well. These, I am sure, were evaluated, I said that, I responded to you, in that regard. All of those achievements were looked at against the objectives that we had hoped to achieve and of course, with the end result that it did not make any sense to continue, certainly financial, in that regard, but we continue to deepen our relations with all of the African countries through the existing missions that are there in Nigeria and also in South Africa.

Madam President: Sen. Obika, I think this is your last question.

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Sen. Obika: Yes, last follow-up, yes, thanks, Madam President. The hon. Minister stated—and congratulations on having an additional portfolio, we appreciate the answers—\$7 million as the cost for the mission. But would we not have benefited by having training, for example, at NESC, \$45,000 per student at the Drilling Academy.

Madam President: Sen. Obika, that question does not arise. Next question. Sen. Obika.

Southern Main Road to Point Fortin

(Repairs Needed)

51. Sen. Taharqa Obika asked the hon. Minister of Works and Transport:

Can the Minister inform the Senate why the Southern Main Road to Point Fortin has not been repaired despite being highlighted on several occasions since 2017?

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan): Thank you, Madam President. With regard to the matter raised, I wish to inform the Senate that reinstatement work has been undertaken in the Southern Main Road, 62 kilometres to 87 kilometres. This work includes patching and the Water and Sewerage Authority works. I can report for the last three months, Madam President, in September, there was 18 square metres of patching; in October, 142 square metres of patching; in November 2018, 199 square metres of patching.

Madam President, the Highways Division is in the process of evaluating a tender for the replaced patching of 629 square metres, full de-patching of 102 square metres and spot-patching consisting of 370 tonnes of asphalt. This work is expected to start shortly.

Madam President: Sen. Obika.

Sen. Obika: Thank you very much, Madam President. Could the hon. Minister

indicate who would have been the contractor or contractors that did these works that he mentioned?

Madam President: That question does not arise. Next question.

Sen. Obika: Could the hon. Minister indicate when would proper road repair be done given that patching is not working? I traverse those roads daily.

Sen. The Hon. R. Sinanan: Madam President, if the hon. Minister traverses the road and he is familiar with the—*[Interruption]* sorry, hon. Member, and he is familiar with the terrain, you would recognize that that area, La Brea to Point Fortin, there is a big challenge with the surface. The asphalt continues to move and that is posing a threat to the WASA pipes, which, because of the movement, there is a continuous damage to the WASA pipe which affects the roadway. So once the completion of the highway from San Fernando to Point Fortin is completed, then more robust work will be done on that aspect of the roadway. Thank you.

Madam President: Sen. Obika.

Sen. Obika: Thank you very much, Madam President. If you would permit me to ask, given the Minister's ending statement, when would the highway progress expect to be completed to Point Fortin?

Madam President: Minister.

Sen. The Hon. R. Sinanan: Madam President, I think there is a Motion on the agenda this evening dealing with the highway, exactly the question that you are asking now, so I prefer to deal with that in the Motion. I am really happy that you brought that Motion.

Madam President: Any further supplementary questions? Yes, Senator.

Sen. Ameen: Yes, Madam President. The Minister spoke about—well, the question is about infrastructural work. There is need for some retention walls as well which is—

Madam President: Sen Ameen, please ask a question. Please ask a question, it is a supplementary question.

Sen. Ameen: Does your programme include the need for—well, include any retention walls to support the roadway?

Sen. The Hon. R. Sinanan: Madam President, whenever we are doing road rehabilitation, the engineers will inspect the area and whatever is required will be done. Thank you.

Madam President: Next question. Sen. Obika.

**Attempted Suicide at San Fernando Hill
(Perimeter Fencing)**

52. Sen. Taharqa Obika asked the hon. Minister of Rural Development and Local Government:

Having regard to the August 2018 suicide attempt at San Fernando Hill, can the Minister indicate whether the fencing of the perimeter usually traversed by the public is being considered for the purpose of discouraging such action?

Madam President: Acting Minister of Rural Development and Local Government.

Sen. Rambharat: No, no, no. We have—Madam President.

Madam President: No, Minister of Agriculture, Land and Fisheries. [*Laughter*]

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Thank you very much. [*Laughter and crosstalk*] Madam President, with your leave, I respond to this question on behalf of my colleague as the Minister responsible for the management of the San Fernando Hill. We deeply regret the incident that took place on August 14, 2018 and are grateful for the

recovery of the young person.

Madam President, since September 2015, fencing was installed along the perimeter of certain sections of San Fernando Hill leading to sharp drops. That is since September 2015. In many cases, the perimeter of the area accessed by the public has brick walls and other sections are protected by trees planted along the perimeter. In those sections, Madam President, without the protection of trees and walls, protective fencing has been installed. On the day in question, the young person climbed on top of the protective wall and despite calls from the Forestry Division officials on site, he jumped. He was protected from fatal damage by the trees in that particular area and other protective measures.

Madam President, I thank you.

Madam President: Sen. Obika.

Sen. Obika: Thank you very much, Madam President. I thought the former Mayor of San Fernando would have answered as the Minister but—

Madam President: Sen. Obika, please ask your question.

Sen. Obika: Apologies, apologies. The question I want to ask is that this San Fernando Hill is a tourist attraction; given the revelations by the hon. Minister which were more detailed, how can we prevent this in the future?

Madam President: No, you are asking the same question you have asked in a different way. The Minister has answered your question that was posed. So do you have another supplementary question?

Sen. Obika: No.

Madam President: Okay.

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DEFINITE URGENT MATTERS**(LEAVE)****Petrotrin Employees' Pension Plan****(Future Viability of)**

Sen. Anita Haynes: I hereby seek your leave to move the adjournment of the Senate today, under Standing Order 16, to discuss an urgent matter of definite public importance namely, the failure of the Government to inform the public of any plan to ensure the future viability of the Petrotrin Employees' Pension Plan and any guarantees that eligible Petrotrin workers will receive the pensions they were promised.

The matter is definite because it deals specifically with the failure of the Government following its closure of the state-owned oil company, Petrotrin, to be forthcoming with any information concerning the management and execution of its fiduciary duty of making employer-related payments under the Petrotrin Employees' Pension Plan.

The matter is urgent because of the potentially disastrous effect on current and former employees, in light of the assessment by Republic Bank regarding the long-term impact of Petrotrin's restructuring and under Petrotrin Employees' Pension Plan, indicating that there are four out of five scenarios in which the pension funds would be exhausted in 25 to 30 years. The matter is of public importance because it deals with the thousands of current and former Petrotrin employees who are now uncertain as to whether or not they will receive their pension.

Madam President: Hon. Senators, I have considered the Motion of the Senator and I am not satisfied that this matter as presented qualifies under this Standing Order. Sen. Obika.

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**Closure of the Augustus Long Hospital
(Failure of Government to Properly Manage)**

Sen. Taharqa Obika: Thank you very much, Madam President. I hereby seek your leave to move the adjournment of the Senate, today, under Standing Order 16, for the purpose of discussing a definite matter of urgent public importance namely, the failure of the Government to properly manage the impending closure of the Augustus Long Hospital at Pointe-a-Pierre which will cause severe distress to the lives of Petrotrin employees, retirees and their families.

This matter is definite because it concerns a very real and certain risk to the health care afforded to tens of thousands of nationals constituted by some 5,000 existing employees of Petrotrin, an estimated similar number of retirees of Petrotrin and over 30,000 family members who access these health care services. It is also definite because of the loss of jobs to a significant number of medical workers including doctors, nurses and other health care professionals much needed in the system.

The matter is urgent because if this situation is not managed and contained in a responsible manner, it could lead to deleterious effects on the health care of persons currently dependent on the medical coverage at Augustus Long. The matter is of public importance because thousands of Petrotrin workers, retirees and ex-employees are now without the health care they have contributed to and depended upon for decades.

Madam President: Hon. Senators, I have considered the Motion as presented and I am not satisfied that this qualifies under this Standing Order.

**NATIONAL EMBLEMS OF TRINIDAD AND TOBAGO (REGULATION)
(AMDT.) BILL, 2018**

Bill to amend the National Emblems of Trinidad and Tobago (Regulation)

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Act, Chap. 19:04 [*The Minister of Agriculture, Land and Fisheries*]; read the first time.

JOINT SELECT COMMITTEES

(APPOINTMENT TO)

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you, Madam President. I beg to move the following Motion:

Be it resolved that this Senate agree to the following appointments to the Joint Select Committees:

Mr. Garvin Simonette in lieu of Mr. Ronald Huggins and Ms. Amrita Deonarine in lieu of Ms. Jennifer Raffoul on the Public Administration and Appropriations Committee.

Ms. Charrise Seepersad in lieu of Ms. Melissa Ramkissoon on the Public Accounts Committee.

Ms. Amrita Deonarine in lieu of Mr. David Small on the Public Accounts (Enterprises) Committee.

Mr. Deeroop Teemal in lieu of Mr. Stephen Creese on the Joint Select Committee on Land and Physical Infrastructure.

Dr. Varma Deyalsingh in lieu of Mr. H. R. Ian Roach on the Joint Select Committee on Local Authorities, Service Commissions and Statutory Authorities (Including the THA).

Mr. Anthony Vieira in lieu of Mr. David Small and Mr. Garvin Simonette in lieu of Mr. Ronald Huggins on the Joint Select Committee on State Enterprises.

Mr. Deeroop Teemal in lieu of Mr. David Small on the Joint Select Committee on Energy Affairs.

Ms. Hazel Thompson-Ahye in lieu of Dr. Dhanayshar Mahabir on the Joint Select Committee on Human Rights, Equality and Diversity.

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JSC (Appointment To)

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Dr. Varma Deyalsingh in lieu of Mr. H. R. Ian Roach on the Joint Select Committee on Government Assurances.

Dr. Varma Deyalsingh in lieu of Ms. Melissa Ramkissoon on the Joint Select Committee on Gambling (Gaming and Betting) Control Bill, 2016.

Mr. Anthony Vieira in lieu of Ms. Melissa Ramkissoon on the Joint Select Committee on Cybercrime Bill, 2017.

Dr. Maria Dillon-Remy in lieu of Dr. Dhanayshar Mahabir on the Joint Select Committee on the Constitution (Amdt.) (Tobago Self-Government) Bill, 2018.

Ms. Charisse Seepersad in lieu of Mr. Stephen Creese on the Joint Select Committee on the Mutual Administrative Assistance on Tax Matters Bill, 2018 and the Tax Information Exchange Agreement Bill, 2018.

Ms. Amrita Deonarine in lieu of Mr. Taurel Shrikissoon and Mr. Deeroop Teemal in lieu of Ms. Jennifer Raffoul on the Joint Select Committee on the Trinidad and Tobago Revenue Authority Bill.

Mr. Avinash Singh in lieu of Ms. Ayanna Lewis and Dr. Maria Dillon-Remy in lieu of Mr. Taurel Shrikissoon on the Joint Select Committee on the Parliamentary Broadcasting Committee.

And finally, Dr. Maria Dillon-Remy in lieu of Dr. Dhanayshar Mahabir on the Joint Select Committee on Foreign Affairs.

Question put and agreed to.

CLOSURE OF PETROTRIN REFINERY

(CONDEMNATION OF GOVERNMENT'S ACTIONS)

Sen. Gerald Ramdeen: Madam President, I beg to move the following Motion standing in my name:

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Whereas the Board of Petrotrin announced on the August 28, 2018 that the company's refinery will cease its crude oil refining operations;

And whereas the Prime Minister on the September 02, 2018 confirmed that the Cabinet had accepted a recommendation of the Petrotrin Board to close its refinery;

And whereas it is evident that the decision of the Government was without stakeholder consultation and with little or no disclosure to the public;

And whereas the decision to close the Petrotrin refinery will have direct adverse consequences on thousands of persons as well as on the economy of Trinidad and Tobago;

Be it resolved that the Senate take note of the failure of the Government to disclose a viable and credible plan to address the needs of those persons/business affected by the closure of the refinery;

And be it further resolved that this Senate condemn the actions of the Government in closing the Petrotrin refinery.

Madam President, since the 28th of August and the announcement by the Chairman of the board of Petrotrin that the refinery at Petrotrin would be closed, the Opposition and the people of Trinidad and Tobago have continuously been asking answers of the Government and despite all that the Government has said, there has been very little information coming to the people of Trinidad and Tobago, coming to the workers of Petrotrin, coming to the businesses that are affected and coming to the hard-working citizens, 5,322 of which, will not have a job after this Friday. The reason why we have brought this Motion, Madam President, is because there exists a duty on the Government to explain and justify to the people of Trinidad and Tobago, the closure of the refinery at Petrotrin and the restructuring of

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Petrotrin and there has been very little information and very little disclosure from the Government.

In another place, it was said that the hon. Prime Minister has spoken to the country three times in relation to this Petrotrin issue and the closure of the refinery but what we can say, Madam President—from where we speak on behalf of the hard-working citizens who will be without a job on Friday, 5,322 of them—is that all that the Prime Minister has said, in those three speeches that he has given, has brought very little comfort or relief to the hard-working citizens who have to face the breadline after November 30, 2018. And as this entire fiasco unravels itself, Madam President, it is very sad that while the Government has bombarded the country and the media with their side of the story, the hard-working people who are most directly affected have not gotten their day to tell the story that they have to face after the 30th of November, 2018. [*Desk thumping*] And we, in the Opposition, will continue. We will continue to advocate this issue and the hardship that will be suffered by those persons and every single citizen of Trinidad and Tobago who will be affected by this decision.

We have said from the very outset, Madam President, that the decision to close Petrotrin was one that was calculated, it was one that was intentional and it was one that was deliberate by this Government. It did not start on August 28, 2018. And I want to make a case this afternoon to show the country the manner in which this Government has orchestrated the demise of Petrotrin in order to put in place the plan that is being put in place now. And let me start off very early in this story on the 7th of November, 2016, and I want to refer to an email from Ronald Huff. Ronald Huff, in 2016, was the Chief Financial Officer of Petrotrin and in 2016, this is what Ronald Huff was writing to the President of Petrotrin, Mr.

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Fitzroy Harewood at the time, and let the people of Trinidad and Tobago listen carefully to what the Chief Financial Officer in Petrotrin was telling the President of Petrotrin in 2016.

“Dear Mr. President,

I have been reflecting on the meeting with the Finance Minister and staff on Friday November 4th at 11:20 am...”

Listen to the precise language that is being used by Mr. Huff.

“...on November 4th...11:20 am in the Ministers conference room. At that meeting the Minister...”

That is the Minister of Finance—

“...gave definitive instructions that directly impact my employment situation.

These instructions included the following:

- 1) I am to immediately cease and desist having discussions with banks pertaining to the financing of Petrotrin.”

That the Chief Financial Officer was given instructions by the Minister of Finance to cease and desist from having any discussions with banks pertaining to the financing of Petrotrin. Listen to number two, Madam President:

“2) I am to immediately cease and desist from having discussions with debt holders.

3) I am to cancel the speaking engagement at the upcoming Caribbean Debt Conference in Jamaica.

4) All financing obligations for Petrotrin will be handled by the Finance Ministry, specifically Suzette Lee Chee in her position as Permanent Secretary of debt for government-related entities.

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- 5) The debt of T&T government related entities is under the sole purview of the Finance Ministry and the Minister views my recent intervention as a violation of the Companies Act.”

And:

- “6) The Minister clearly indicated my previous actions were not my fault as the previous Petrotrin Board and Finance Ministry had approved my hiring and job description but he was now making clear his new directives.”

So you know what this meant, Madam President? What we are seeing played out today on a daily basis started from the time this Government came into power because there was a plan to bring down Petrotrin. [*Desk thumping*] And let me just indicate, Madam President, after this letter was sent, the contract of Mr. Huff was bought out so that they could put who they want on the board and they could put who they want to get their job done.

Now, Madam President, I have listened to this debate on Petrotrin from the time it started. I have listened to everything that the Minister of Finance has said, I have listened to everything that the Minister of Energy and Energy Industries has said. I listened to a press conference where the Minister of Finance told this country that Petrotrin was not paying its taxes. That is the message that was sent out to the people of Trinidad and Tobago and specifically, the Minister of Finance was telling the country that the reason Petrotrin has to be closed down is because Petrotrin—he made specific reference to it—was not paying any supplemental petroleum tax. So, let us test the credibility of the information that is put in the public domain by the Minister of Finance, the Minister of Energy and Energy Industries, the Attorney General and the Prime Minister. Let us test it.

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I have the total taxes paid by Petrotrin, produced by Petrotrin's Finance Department from financial year 2009 to financial year 2018, August 31st. Madam President, how, how this message could be given to the people of Trinidad and Tobago that Petrotrin is not paying its taxes and not paying any supplemental petroleum tax for years? That is what they told the country. That was the justification given by the Government for shutting down Petrotrin. Madam President, in 2009, "ah rounding off de figures", Petrotrin paid \$1.7 billion, not million, \$1.7 billion in supplemental petroleum tax. In 2010, they paid \$1.8 billion; in 2011, they paid \$1.5 billion; in 2012, they paid \$1.8 billion; in 2013, they paid \$1.4 billion. In 2014, Petrotrin paid \$2,662,000,000 in supplemental petroleum tax and the Minister of Finance told the country that they were not paying any supplemental petroleum tax.

So, "lemme tell you when dey stop payin" supplemental petroleum tax, Madam President. Petrotrin stopped paying supplemental petroleum tax in 2016, 2017 and 2018 under this Government. So let the Minister tell us why between 2016 and 2018; 2016, 2017 and 2018, under the PNM Government, no supplemental petroleum tax but you want to make it seem as though for this extended period of time—it is under you, it is under the PNM that they paid no supplemental petroleum tax. That is the truth and you should tell the country the truth.

Petroleum profit tax—"ah not going through all de details", Madam President—between 2009 and 2018, Petrotrin paid \$6.7 billion in petroleum profit tax. Green Fund Levy, between that period of time of 2009 and 2018, they paid \$277 million in Green Fund. VAT, they paid \$2.9 billion. And listen to this one, Madam President: between 2009 and 2018, Petrotrin—"de same Petrotrin that dey

speaking about”—paid \$6.5 billion in royalties; \$6.5 billion in royalties when the Minister of Finance and the Minister of Energy and Energy Industries is telling us “Petrotrin not paying any taxes”. Production levy, they paid \$1.9 billion. When you check up SPT, PPT, Green Fund, VAT, royalties, production levy, oil impost, head licence and money held in escrow, between 2009 and 2018, Petrotrin paid \$30.652 billion to the Government of Trinidad and Tobago.

2.30p.m.

That is the story that has not been told by the Government. So, Madam President, I asked the Minister in question and answer whether the Common External Tariff was engaged, was varied when this first shipment of products came in on October 27, 2018. The Minister said he was not sure. Well, on my way here to do this debate today somebody—I want to thank them—from the other side passed some documents here, Legal Notice 165, Legal Notice 166 and Legal Notice 164.

All the planning that you all doing, all the advice that you all taking, all the experts, Robert Riley, Espinet, the whole board, Arjoonsingh, everybody giving the Government advice. You know the Government brought a ship, parked it outside in the Gulf of Paria with product on it, and a Member of the Government informed me that while that was going on, according to the words of the Minister, on October 27, 2018, this Government “dat taking” so much advice and this new board run by Mr. Espinet, right, could not put in place the Common External Tariff, because by Legal Notice 164, 165 and 166, the Common External Tariff was reduced. “You know when”, Madam President? Let me tell you when. On the 23rd of November. On the 23rd of November, 2018. That is the good planning of the PNM. That was the good planning when the Minister—I have a report here where

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the Minister said more than a month ago, right, they knew that the first shipment was going to come in on October 27th. But the good planning that the Government was doing, they could not vary the external traffic to do that.

You see, Madam President, this Motion is brought because we want answers. That is what we want. We want to know who are the people responsible for what is going on in Petrotrin. And, you know, while we keep hearing about Mr. Espinet and Mr. Espinet, he is a very important player behind the scenes in this entire scenario that we are hearing very little about. But we will hear a little bit about him today, right. The name of that individual is Mr. Robert Riley. Right?

Mr. Robert Riley—in this restructuring exercise, I would like the Minister of Energy and Energy Industries to tell us: What is the part being played by Mr. Robert Riley, who has been paid \$450,000 in one invoice for advice being provided to Petrotrin? You see, it is a very dangerous thing, in my view, from where I sit, and the people I talk to, who are the workers of Petrotrin, who, on Friday, must decide how they are going to provide food for their children after Friday, next week and during December. But you know, while that is going on, “people son and daughter marring in Barbados, wedding going on, right?” But you know what going on here? “Heartache for de hard-working people down here.”

So I want to know if the plan of the Government is to turn Trinidad and Tobago like Saudi Arabia, where we have a royal family running the operations of the petroleum industry. That is what I want to know because, you see, Madam President, I have a memorandum here from Petrotrin, dated October 18, 2018, signed off by the Corporate Secretary, Sharon Morris-Cummings. And you see this idea that the Government “doh want tuh” give information, I want the Government

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Closure of Petrotrin Refinery
(Condemnation of Government's Actions)
Senator Ramdeen (cont'd)

2018.11.27

to know that every board Minute that is signed off by Sharon Morris-Cummings down in Petrotrin at Pointe-a-Pierre, we will get it in the Opposition. "As yuh see yuh send, send, it coming here." [*Desk thumping*]

October 28, 2018

"Subject: Professional Resourcing Services Limited (PRSL)

At a Meeting of the Board of Directors held on 2018 September 26, Members ratified..."

This is the board members, eh. "Dey ain passing yuh know. Dey ratifying."

"...the engagement of Professional Resourcing Services Limited..."

You know why they had to ratify, Madam President? They had to ratify because since September 17th, these people got a cheque for \$1.527 million on invoice number 2006892 for contingency fees. So on October 18th, after they got another cheque for \$1,537,811.02 for contingency fees too, the board is, on October 18th, ratifying PRSL through which—and hear what they are hired for, Madam President:

"...through which the services of the Transition Office Manager, Ms. Lisa Ali is being provided as well as the services of Mr. Michael Wylie to the Exploration and Production Division for the time being. The terms and conditions of the engagement of PRSL are to be agreed by the Human Resources Committee."

"Money done pay out yuh know. Money pay out since September 17th and October 9th and another cheque coming out on October 26th." But you know what? While money being paid out, the terms—this is a Petrotrin memorandum you know, Madam President—are to be agreed by the Human Resource Committee. No problem.

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“Members agreed that Mr. Michael Wylie will be the new Head of the upstream business company to be formed consequent on the ongoing transition of the Company.”

No problem. So, PRSL, “dey rack up dey bill. Dey get paid. Everything hunky-dory”.

But hear the best part, Madam President. I have another board Minute here. But this one is dated November 20th. That is seven days ago. Listen to what is going on at Petrotrin seven days ago. This is to the Chairman, Mr. Espinet, from the Corporate Secretary. Let Trinidad and Tobago understand how things are being run down at Petrotrin.

Approval of Management Services for Legacy Petrotrin

Please be advised that on 20th November, 2018, members approved, via round robin...

Round robin. This is the new management style down at Petrotrin, the legacy Company.

...20th of November, 2018, members—these are members of the board—approved, via round robin, the approach of a single—listen carefully—source engagement of a contractor to provide legacy Petrotrin with the personnel and services necessary to perform certain management services in relation to asset and property maintenance and management, legal portfolio management, contract administration, financial accounting, salaries and benefit payments and general administrative services.

So, what is really going on here is that this company that is going to be engaged is virtually doing everything for legacy Petrotrin. When the Government comes and tells the country: “doh worry, jobs coming, four new companies opening up, listen

tuh who get de contract.”

These services will initially be required for a period of six months, commencing 2018 December 01, during which time the RFP process will be conducted for all required services after.

So, six months. “Hear wah going on”, Madam President.

It is intended that once the quotation received is acceptable, that a merit award will be sought under clause 20.1(a)(4) of the procedure guidelines for tenders and contracts for works and services read as follows.

Madam President, you know what this is? This is the board of Petrotrin sole-selecting somebody for six months. Right? And hear the justification from the board.

The justification for this approach is that there will be a number of legacy issues to be addressed within the company immediately after 2018, November 30, and these activities need to be undertaken to preserve the assets of the company and to complete the transition process smoothly and without prejudice.

Not a single tendering “yuh know”. Six months. Millions of US dollars going down the drain here with this company, not a single person from Trinidad and Tobago getting “ah wuk” here, right, and you telling me—“dis is de new. Dis is wat—dat is why”, Madam President, that is why last week I said to the country nothing is going to change under this new Petrotrin. It is the same “ole khaki pants”. It is the same corruption. It is the same mismanagement. It is the same result that is going to happen under this new Petrotrin. Nothing is going to change. [*Desk thumping*]

Now, let me show the country now, right, what is going to happen under this

new Petrotrin. On the 3rd of July, under confidential McKinsey & Company, Memorandum of Confirmation to Wilfred Espinet. Right? This is McKinsey & Company, "de people who geh" 68 million of Trinidad and Tobago dollars to give advice to the board of Petrotrin. McKinsey has been paid \$68 million by Trinidad and Tobago for advice. So I took up this report that was given to me, headed up "3rd of July 2018, Managing and Transition of Petrotrin". This is what we paid \$68 million for eh. Good. So I thought that it is going to have something fabulous inside here. This is going to be solution to the ills of Petrotrin.

So I found something very strange, Madam President. I started to flag them as I went along. I thought this company, after being paid \$68 million, was going to move into Petrotrin and start to put things in order. Lo and behold, hear what McKinsey is telling Petrotrin:

- Petrotrin will need to retain the support of a Human Resource Advisor.

And they gave them what they have to do:

Advisor should have experience with local unions and familiarity with legal matters associated with termination of employment.

So that is one.

- Petrotrin resources and capabilities.

"Dey tell dem dey have tuh get:"

A very experienced CFO will be needed to lead the financing with a company of this size and complexity.

"Dey tell dem dey need tuh get:"

- A top debt advisor, an external Counsel.

"Is like a shopping list, Madam President". What these people were paid \$68 million to do is to tell Petrotrin who "tuh hire and how tuh hire dem." That is what

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they were paid \$68 million to do.

But hear the best part, Madam President, the most important part:

- Professional arrangements.

This is a list of what Petrotrin—who they have to go now and get, right, who they have to go now and pay in US dollars. But hear this:

We agree to structure our support for this project as an extension of our contract for strategic review at the end of 2017. We would provide a draft contract extension, with the aim to keep additional terms as simple as possible, building on our prior terms.

Hear this part, Madam President:

Fees for the project will be US \$4.57 million. Payments will be required in advance of execution of works according to the following schedule: start with the project, US \$2.25 million, August 06, US \$1.25 million; September 03, US \$1.25 million.

This is the same company. This is the same company that they are telling us is going to be a legacy. This is no different, and I will keep repeating it. This is no different from what took place in Petrotrin between 2002 and 2010, and landed us with cost overruns of TT \$19billion, eh. [*Desk thumping*]

But I found a little interesting paragraph, Madam President. I thought I would share with you in this report. This is what McKinsey is telling us:

The work we plan to undertake with you has a high risk of emerging into the public domain of Trinidad and Tobago. It would be politically sensitive and it is also likely to attract significant comment, including adverse border reactions...

Hear this, Madam President.

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...around fees and associated value for money. The focus and context of our work obviously involve both legal and broader reputational risks for our firm.

So they “done putting” their cards on the table in front, you know. They know what is going to happen, right? They understand that what they are doing is milking Trinidad and Tobago. Right? And at the end of the day “who paying fuh dis? Not de PNM, not de Cabinet, not de Government.” Who is paying “fuh dis”? The people of Trinidad and Tobago, all \$68million. [*Desk thumping*]

But, Madam President, they have one particular issue I want to deal with this afternoon. You know, the Leader of the Opposition has said over and over that one of the fallouts of this Petrotrin closure of the refinery is going to be that Petrotrin has a number of ongoing litigations. There is A&V oil and gas. There is an arbitration. There is ULSD arbitration going on. And you know, the Government does not seem to—“dey ain really taking dat too seriously because dey not concerned too much about dat.” So, I thought I would do a little bit of research on this particular issue.

Now, Madam President, when I first spoke on this issue about Petrotrin, I raised the issue about this arbitration that is going on with respect to the ultra-low sulphur diesel plant. I understand after that contribution was made, the Minister made some enquiries down at Petrotrin to find out what I was talking about, because they were not aware of what was going on with this arbitration. So I want to ask the Minister to give us a little bit of answers this afternoon. So, I have the PowerPoint presentation, Minister, that was made on the 19th of March, 2018, to the board of Petrotrin. It is headed up:

Petroleum Company of Trinidad and Tobago Ultra-low Sulphur Diesel

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Project—Presentation to the Board, 19th of March, 2018

Privilege and Confidential

So let me tell you why it is privileged and confidential, Madam President. In this document—it is the document that was presented to the board of Petrotrin in relation to this arbitration, an arbitration where Samsung, the contractor, has sued Petrotrin and the value of the claim, according to this document—this is a PowerPoint presentation that was made to the Board of Petrotrin. Samsung sued Petrotrin for US \$232million—million, US dollars—and when the claim was assessed by Petrotrin, you know what Petrotrin said, Madam President? They said:

Delay expert preliminary assessment indicates a good defence on the merits.

No problem. That is—

Madam President: Sen. Ramdeen, may I ask you a question?

Sen. G. Ramdeen: Sure.

Madam President: The arbitration to which you are making reference, is it ongoing?

Sen. G. Ramdeen: It is complete.

Madam President: It is finished?

Sen. G. Ramdeen: Finished.

Madam President: Okay, and has there been a determination?

Sen. G. Ramdeen: Yes, Madam President.

Madam President: Okay.

Sen. G. Ramdeen: I am coming to that. I am sorry that I did not say that at the outset. That is a very important point that I am coming to, Madam President. So, Petrotrin counter-claims on Samsung, and Petrotrin claimed—let the people of Trinidad and Tobago listen carefully, eh, US \$255million; 255. Listen to what,

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under the heading "Risk and Probability of Outcome", the Petrotrin Board was told.

The decision not to complete the plant would erode the structural remedial claim. It will cost Petrotrin US \$144million.

The decision by the PNM-appointed board, led by Wilfred Espinet, not to complete the plant would cost the people of this country US \$144 million. Right? Listen to what the probability of Petrotrin's claim was.

Queen's Counsel has advised that his assessment, having looked at the evidence and witness statements available to date, is as follows: structural remedial work claim, US \$144 million—this is Petrotrin's claim—has significantly better than a 50 per cent chance of succeeding.

"Yuh hear dah eh?" Madam President, I want the country to hear this, you know.

Seismic upgrade aspect of the claim, 41 million, has a reasonable prospect of success but less than 50.

"So leh we forget about dat US \$40 million". The sum of US \$144 million has a significantly better than 50 per cent chance.

On the 27th of September, a month ago exactly, the board of Petrotrin said:

"At a Meeting of Board of Directors...

This is signed off by Sharon Morris-Cummings.

"At a Meeting of the Board of Directors held on 2018, September26..."

The members of this Board, listen to what they decided. The Members of this Board authorized the Chairman, Mr. Wilfred Espinet.

"...to settle the whole of the dispute with Samsung through mediation and agreed that the Chairman is to have the authority to settle the dispute at whatever level..."

Listen to the wording of this.

“...at whatever level he sees fit but shall provide the intended figure to Members”—of the Board—“beforehand.”

So here is a claim, US \$144 million, right, better than 50 per cent chance of success.

Madam President, let me—I came into possession of something that was very private and confidential, something that has a confidentiality clause in a document called “The Heads of Terms, Samsung Engineering”. This is the determination of the matter, Madam President. *Samsung Engineering v the Petroleum Company of Trinidad and Tobago*. So listen carefully to what Mr. Wilfred Espinet “went and do”. US \$144 million, listen to what they “went and do”.

The claimants—“dah is” Samsung—shall pay to the respondents—that is Petrotrin—the sum of US \$20million.

US \$20 million! You all sell out the country for US \$20million, inclusive of VAT and sales tax. Right? Big confidentiality clause, “yuh know”.

Subject to 6.2, each party shall treat as confidential and not disclose to any other person, the existence, the terms or the subject matter of this agreement.

The negotiations relating to this agreement...

This is public money, you know. This is not three. This is not GTL. This is \$10 billion of money belonging to the people of Trinidad and Tobago that went down the drain in the ULSD plant and hurrah, Mr. Wilfred Espinet, with his signature on the back, right, “sign off, gone to London, sell out the people of Trinidad and Tobago for US \$20million”. No problem.

“Somebody going tuh—will jump up and say: ‘Well it had ah claim and ah

counterclaim and yuh have to set it off.' I have ah answer fuh dat too." The lawyers who were involved, the QC that was giving the advice in this matter. I have the emails from the QC, Mr. Karim Ghaly QC, who was advising Petrotrin, who was the advocate in this matter in the arbitration. Do you know what the QC was telling Petrotrin, Madam President? When you set off the claim and the counterclaim, listen to what the QC was telling Petrotrin. Let me just give the particulars so everybody "go understand". This is an email from Mr. Karim Ghaly QC, on the 12th of September 2018, at 1600 hours. To who? Robert Riley, and Wilfred Espinet.

I propose that our opening position at the mediation is that Petrotrin will pay \$25 million on their claims—hear the best part—meaning the net recovery to Petrotrin was supposed to be US \$38million.

So if the net recovery was supposed to be US \$38 million "why we only get" US \$20 million on this arbitration? Perhaps Mr. Riley and Mr. Espinet, right, will tell us that. But what I can tell you, Madam President, is that this Government and that board that this Government appointed down at Petrotrin, by taking the decision to close the Petrotrin refinery, compromised the people of Trinidad and Tobago to the extent of \$1.7billion. And they want to come here today and talk about they are acting in the best interest of the people of Trinidad and Tobago.

What is happening now at Petrotrin is no different from the cost overruns that landed us at \$19 billion in cost overruns and the Government trying to convince the people of Trinidad and Tobago that they are acting in their best interest. Nothing, Madam President, nothing is further from the truth.

Madam President, these documents that—let me go to another document here, Madam President. This company called McKinsey—if I could use the words,

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let me not go into the vernacular—that has taken \$68million from Trinidad and Tobago, right, Petrotrin was writing to this company, McKinsey, and on the 12th of September, 2018, this company was telling McKinsey they wanted McKinsey's position. We are the people who are paying for the reports, you know. We are paying for the advice. The people of Trinidad and Tobago forked out \$68million for this. But Mr. Arjoonsingh, Reynold Arjoonsingh—

Hon. Senator: Adjodhasingh.

Sen. G. Ramdeen: Sorry, Adjodhasingh, sorry, I apologize, is writing to McKinsey. He is asking McKinsey, he wants—

We also wish to take this opportunity to seek your approval to make verbal disclosure of the results of McKinsey's consulting services herein, consisting of helping Petrotrin to reorganize and refinance and manage the transition from thrive to growth-phase and the potential strategic steps required to get there...

And listen to this part, Madam President:

...to the named Government officials in Appendix C hereto.

“You know who in” Appendix C, Madam President? The hon. Prime Minister, Dr. Keith Christopher Rowley, Prime Minister of the Republic of Trinidad and Tobago and they have Office of the Prime Minister's address; the Hon. Stuart Young, Minister in the Ministry of the Attorney General, Minister of Legal Affairs and Minister in the Office of the Prime Minister; the Hon. Colm Imbert, Minister of Finance; Sen. The Hon. Franklin Khan; Sen. The Hon. David Small; and the Hon. Colm Imbert, MP and Chairman of the Joint Select Committee on Energy Affairs.

Madam President, you know what I find real disturbing about this is that these matters are legal matters that concern the welfare and the public interest of

the people of Trinidad and Tobago. Under our Government, there is an Attorney General in the person of the Hon. MP for San Fernando West, Mr. Faris Al-Rawi, and the question I want to ask the Minister is this: Under the Constitution, section 76, is it not the Attorney General who has the responsibility to advise the Cabinet? Is it not the Attorney General to give advice to the Government? This is perhaps the most important piece of what I would call the most important legal matter that is going on right now in this country, concerning over 10,000 people.

And perhaps, when you get up to reply, the hon. Minister of Energy and Energy Industries will tell us: Why is it the Attorney General is not seeing these documents? Why are you all leaving the Attorney General out of this? Why is he not being told about all the reports that McKinsey is providing? He is the person with responsibility, Cabinet responsibility. So I do not know, Madam President. It baffles me how this Cabinet operates. But that is probably why, Madam President, we will know what going on in the Cabinet, outside the Cabinet and in the boardroom down at Petrotrin. We have no doubt about that. But it is a very, very disturbing thing, Madam President, that the Cabinet of this country runs in the manner that is set out here.

But you know, one thing that I found very, very interesting, Madam President, is that these people, McKinsey, have become so familiar. It is such a sweetheart deal that is going down with this 68million and the more to come, the 4.2million to come. You know in these documents, Madam President, you know how these people refer to the Chairman of Petrotrin, in official correspondence passing between the party? They refer to him by:

Wilfred, we are happy to work with you.

Right? So I “doh” know. They are on first-name basis, McKinsey & Company is

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on first-name basis with the Chairman of Petrotrin. And it is not any wonder, Madam President, why—let me read it out so that they do not think, that, you know, Ramdeen just saying so for “saying so sake”. The last and penultimate paragraph of the document where Petrotrin is going to pay out another, probably about \$12 million to McKinsey & Company, this is what the document ends by saying:

Wilfred, we are excited to support you through this critical transition phase of Petrotrin. We look forward to discussing and refining this outline proposal with you and other board members as appropriate.

You see, Madam President, all of this just does not add up. And you know why it does not add up, Madam President? I will tell you why. When this Government decided that they will—

Madam President: Sen. Ramdeen, you have five more minutes.

Sen. G. Ramdeen: Thank you, Madam President. When this Government decided that they would take these very drastic measures with respect to Petrotrin this same Government set up a committee called the Lashley Committee. And why we keep asking for disclosure of the reports is because I will stand here today and I bet, Madam President, that in the reply of anybody from the Government, we will not be told today of one report by one advisor who advised this Government in writing that they should shut down the refinery; not one. [*Desk thumping*] Not McKinsey, not Solomon, not Riley, not one.

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So, why do you not tell us where did you get this idea? Who came up with this idea? Because you see that lady that I referred to, Madam President, in that board note called Ms. Lisa Ali, who this company that was paid over \$3billion to

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recruit? You know what is really going on at Petrotrin, Madam President? What is really going on at Petrotrin is that this individual called Robert Riley is re-staffing Petrotrin with all the people who were working at bp before. So Petrotrin is like a new version of bp. That is what is going on. And being paid \$450,000-plus to do that.

So tell us, tell us “who hire” Riley, tell us what Riley is being paid to do, tell us the decisions. Every time the Petrotrin board has to have a press conference down there with the executive management “is Riley doing it”. “They flying” him in from London. Let us know—

Madam President: Sen. Ramdeen, please. I have spoken in the past about when we speak about persons who are not part of the Chamber. If you are speaking about someone, please address them—please call them by their proper name.

Sen. G. Ramdeen: Sorry, Madam President. Madam President, the people of Trinidad and Tobago want to know what is the role being played by Mr. Robert Riley in this entire Petrotrin debacle.

Madam President, the Government has not told the country what is going to happen to these 5,322 workers from Petrotrin after Friday. I have met with people from Petrotrin, who have worked 30 years in Petrotrin and “when Friday reach”, you know what they are walking away with? They are walking away with \$22,000 after working for 30 years at Petrotrin. And the Minister of Finance, you know, what is insulting about this, Madam President, is I read an article in the newspaper where the Government was telling people that the average that somebody is going to be paid at Petrotrin is \$500,000. Madam President, that is simply not true. And what are you trying to sell to the population when after Friday, you have real people enduring real suffering, right?—in Trinidad and Tobago and you want to

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peddle this kind of misinformation in the public domain to convince the country of what?

There are people who do not know after Friday how they are going to pay their mortgages. There are people who are going to wait 14 years until they reach 50, who are working at Petrotrin now to get their gratuity in 14 years and then receive a pension in 14 years of \$3,000. Madam President, what is going to be the value of \$3,000 in 14 years' time to those people?

And the Government is proud about this. But I will say this, Madam President, you see this Opposition, this Opposition will fight this Government on this Petrotrin issue tooth and nail. [*Desk thumping*] I have already met with the Petrotrin workers, Madam President, and by the hook or the crook we will go to court, and you see that pension plan?—nobody, nobody will be denied the benefit that they have accrued by paying money into that Petrotrin plan by this PNM Government, Madam President. [*Desk thumping*]

So, as I end, Madam President, I know that this Government will not come clean with the people of Trinidad and Tobago, it is not their character, and it is not in their DNA. But what I can tell the Petrotrin workers, the people of all of Trinidad and Tobago, who are going to be affected by this decision is “hold strain, hold strain”. There is a light at the end of the tunnel. It is not the four companies that the PNM are setting up. It is not Guaracara and Paria and Heritage; it is not legacy. The people of Trinidad and Tobago, who are going to suffer after Friday, they will get their day too. They will get their day and they will use their finger to get rid of this Government and the hardship that they have invoked and they have to endure as a result of the PNM. [*Desk thumping*]

Madam President, I want to thank you for the opportunity to present this

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Motion and I beg to move. [*Desk thumping*].

Madam President: Someone needs to second the Motion.

Sen. Khadijah Ameen: [*Desk thumping*] Madam President, I stand to second the Motion and reserve my time to speak.

Madam President: The Motion has been seconded by Sen. Ameen.

Question proposed.

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Thank you very much, Madam President. [*Desk thumping*] Madam President, I came here to debate this Motion, and you have just read it out so I would not bother to repeat. But nothing Sen. Ramdeen said could be linked directly to the recitals of the Motion. He came here in his normal style to supposedly “buss mark” on certain costs and certain contracts which I will attempt to explain.

Petrotrin paid taxes; we paid McKinsey 60-something million dollars; certain people were recruited in questionable circumstances—he claimed—there is a bp takeover of Petrotrin; and a lot of spurious allegations that cannot be justified in fact. But, Madam President, I want to—since this Petrotrin matter came up, every time I come to the Senate or I go to the House, it is a series of questions; Urgent Questions, Questions on Notice, it is matters on the adjournment, it is matters on Private Motion, it is substantive matters in law, in legislation. It is par for the course. We accept that. I will deal with that shortly.

The issue was being said in the Motion that:

“...with little or no disclosure to the public”.I just want to indicate that as far back as January 2017, the Prime Minister in an Address to the Nation, he did not give his Christmas message. He told me he was not giving the Christmas message that year. He said he will speak to the nation in January and he will speak on Petrotrin.

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It is the first time in my life I saw a Prime Minister had an address to the nation during a holiday season on one specific matter. That is how grave the situation was and is.

The document is here. It is 32 pages long, his speech, and every single line pertaining to Petrotrin. He put the nation on notice that things were not well in the state of Denmark. There were grave issues, systemic issues that needed to be addressed to save Petrotrin and to save Trinidad, not the company, to save the legacy of the oil industry and the local oil industry.

This is not about Petrotrin, you know. This is about an issue that went horribly wrong and today it is not my duty to say it is PNM fault, it is UNC fault, it is Mr. Jupiter fault, it is Mr. Espinet fault, it is Mr. Lindsay Gillette fault and all the past Chairmen—Malcolm Jones—you called them. They were all citizens of Trinidad and Tobago in their own right, feeling they were making a contribution. They made blunders. I think nobody deliberately pushed Petrotrin down the chute. These are men of integrity. They made blunders because in the changing energy environment you are dealing with a highly complex industry and if you do not have the expertise available to you to make the right decisions and not to cloud your decisions with politics, because at the end of the day, somebody has to pay the bill. It is as brutal as that.

We cannot be in a situation where you just keep haemorrhaging money, and I will show you why the Minister of Finance had to intervene, because he said Petrotrin is a ward of the Ministry of Finance. We have no problem in fixing hospitals, in building schools, in building infrastructure. But you cannot continue ad infinitum to throw money into a black hole that you had no hope of recovering.

Okay, let me take it from the top. I have a chart in my hand, I did not ask

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Madam President for permission, but it is just a flowchart showing you how Petrotrin evolved. It started with Shell, it started with Texaco, and it started with bp. Shell and Texaco had refineries. Shell's refinery was in Point Fortin. Texaco's refinery was in Pointe-a-Pierre. bp became Trinidad Tesoro, a company which I started.

And when these big multi-nationals; Shell, Texaco and bp, three of the largest oil companies in the world, they moved out of Trinidad just as Tate & Lyle moved out of Trinidad and the PNM formed Caroni (1975) Limited. The State saw it necessary to save the industry by acquiring the assets of these companies. Luckily, around that time there was something called the Arab oil embargo and oil prices went up, things were good. But during the phase of nationalization, we ended up with an integrated oil company. "Integrated oil company" means all aspects of the value chain: exploration and production, transportation, refining and marketing, and trading.

The Point Fortin refinery was shut down. The refinery was integrated at Pointe-a-Pierre. Then there were two companies, one called Trintoc, one called Trintopec, they were merged in 1992, I think, to form Petrotrin. And for a while, as the Senator said, Petrotrin did fairly well, but there were structural weaknesses in the organization and one of the things about this energy sector that can cloud structural weaknesses is high oil prices.

So, when prices are high you could do what you want you will make money because it is called a windfall profit. So, hear what was happening in Petrotrin. Sen. Ramdeen "went to town" and said so much money was paid in supplemental petroleum tax because supplemental petroleum tax is a windfall profit tax when oil prices are high, and the Exploration Production Division is taxed separately to

refining. So, when you see the consolidated accounts of Petrotrin, it is not as lucrative as the Exploration Production department accounts and that is where the taxes were paid. But at the end of the day your bottom line is what counts, because that is what goes to the bank. The other figures are just for taxation purposes. So you could find yourself paying high taxes and not making lucrative profits in the consolidated accounts.

So, when oil prices fell, because he spoke up to 2009/2010, 2010 to 2015 they were laughing to the bank, you know. Oil prices \$98, \$100. They spend and they squander all. And here we are today struggling to make it right.

What it showed when we analyze Petrotrin—it is not that the PNM wicked, you know. It is not that we are evil. It is not that we do not like people. But there are certain realities that you have to confront as a responsible Government.

The Senator spoke about Lashley Report; well I will deal with that shortly, and the whole issue of Robert Riley. But at the end of the day Petrotrin was a very complex organization. Its tentacles were far and wide and deep in the community. It touched every aspect of life in the south-western peninsula and in south Trinidad. But at the end of the day the company's balance sheet gave no hope. When we continue to analyze post the Lashley Report three scenarios evolved.

Scenario one, listen to this, to maintain the status quo would require an injection of \$25 billion over five years and the company will continue to sustain a loss of \$2 billion per annum. Where are you getting the \$25 billion from? "You already up to yuh nose" in debt, \$13 billion, you cannot pay. The Minister of Finance has to scramble to help you get funding.

Scenario two, investment in the operational efficiency of both upstream and downstream, which is refinery and exploration operation, would require an

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injection of \$18 billion. Reasonable. However the company will continue to sustain losses as the gains by the exploration and production side of the business will be offset by losses in the refinery. So what this indicated is that even though you invest in the refinery and you re-energize capital into the company. It is only exploration and production will make a profit and the refinery will continue to lose. What went wrong with the refinery—

Sen. Obika: Minister, would you give way for a question?

Sen. The Hon. F. Khan: No, let me talk. Because I have a story to tell. [*Crosstalk*] No, no, no. I have a lot to tell because when you explain things to you all, you only hear what you want to hear, you know. [*Desk thumping*]. And you put your own spin on it.

Sen. Ramdeen: I did not call Lashley.

Madam President: Sen. Ramdeen, please.

Sen. Ramdeen: Sorry.

Sen. The Hon. F. Khan: So we were in this position. The refining business had no hope. And let me just trace you through the refinery. In the 80s just before Texaco sold that refinery the refinery's throughput capacity, right now before it was shut down last month was 150,000 barrels per day. In the heyday of Texaco, the refinery throughout was a staggering 350,000—400,000 barrels per day. Why? Because it was designed to service the fuel-oil market on the eastern seaboard of America and the Caribbean, as were all the refineries in the region. For those of you who could remember, or if you were old enough, Aruba had a big refinery, Curacao had a big refinery, St. Croix had a big refinery. Where are they now? Most, if not all, have been shut down.

What Trinidad attempted to do, and the rationale was there, but as a country

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we failed, was to upgrade the refinery. The Gas Optimization Plan—the Prime Minister spoke about it—cost overrun of \$10billion, still did not do the job it was supposed to do. We were poor project managers. The World GTL Plant, \$2billion cost overrun. And the now theme of Sen. Ramdeen's discussion, the ultra-low sulphur. We are in litigation, arbitration, claim and counter claim and lawyers could tell you all kind of things. If you speak to Samsung lawyers, they will tell you "the claim is good". They never want you to settle out of court, you know. They never want you to settle out of court—am I right, Sen. Vieira? [*Laughter and desk thumping*] They will tell you, you have a case, fight it. Petrotrin lawyers will tell you, you have a case, fight it. And then the mediators will have to come in and say "Hey guys, settle out of court, sit down, rationalize this thing and let us come to a settlement." It has been here too long.

So, we had the ultra-low sulphur and after all that we are still virtually at ground zero. Added to which, Madam President, is in 2020 something called MARPOL will be coming into effect which means that even ships where we now sell our bunker fuel in, and our fuel oil, has a 0.5 per cent sulphur requirement or less. There is no way that the Petrotrin refinery could have produced fuel with less than 0.5 per cent sulphur.

So, that market would have disappeared come 2020 and you would have had to dump your fuels, no offence meant, in Africa and some of these other Third World countries to get a sale where the environmental conditions are not internationally good at extremely low prices.

So, scenario No. 3 was what we took. We formed a holding company. We are not getting out of the oil business, you know, and I will show you how that is so significant. We formed a holding company to hold all the assets and we formed

three new subsidiaries and Petrotrin which will be the legacy company for legacy items. Heritage, exploration and production operations. Guaracara Refining, something to house the refinery assets as we go out to the international market for a bidder. And, Paria Trading and terminalling for trading. That keeps us in the game, and I will deal with exploration and production because that is my field and to show you how that is such a good idea.

Scenario three requires a lower capital injection of the order of \$8billion. E&P Company, listen to this, will provide positive cash flows that will cover the full Petrotrin existing debt, because you take out the cancer, you know. The cash flow from exploration and production will cover the full Petrotrin existing debt. So, E&P will now pay through time all the debt as we retire the refinery. But all is not lost to the refinery. One of the problems with our refinery was we were losing US \$2 to \$5 per barrel on every barrel of oil we refined. We were importing 100,000 barrels to put into the refinery. So you are taking scarce foreign exchange, importing 100,000 barrels a day at \$80 a barrel, \$70 a barrel, to lose \$5 on each barrel you import. You have saved that. Somebody out there may have a source of crude. They may have their own markets and there is an asset that has value. And they will now make a bid to the Government and say we can use this refinery, we can lease it, we can buy it, we can work some arrangement where the State of Trinidad and Tobago can still get some monetary reward for an asset that otherwise would have no value. It is as simple as that.

Now, we go to the exploration and production part. Madam President, when do I finish?

Madam President: Quarter to four.

Sen. The Hon. F. Khan: Quarter to four. I have time. The exploration and

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production is good business and I will explain why. First and foremost, I always say—people do not listen to me much when I say it. But, oil is still better business than gas. As lucrative as gas has been to Trinidad, oil is better business than gas for three reasons, actually four. First and foremost, we have a more robust tax structure for our oil. It includes royalties, what is called PPT, petroleum profits tax, and SPT, which is supplemental petroleum tax.

Secondly, we made no secret that we think that Trinidad is being cheated of the true value of its gas resources because of transfer pricing coming out of LNG. We have gone public on that. [*Crosstalk*] No, well we are working on it. The very negotiations we wanted to start “allyuh say we cah negotiate with bp and Shell”—

Madam President: Minister.

Sen. The Hon. F. Khan: Yes, okay. It is better business because it has that issue. But oil prices are internationally reference-priced. They cannot cheat you on oil, so to speak. You cannot hide value in oil. So, every barrel of crude you sell is referenced against an international benchmark crude. The very said UNC was telling us Molo crude, which is the Trinidad crude, has very little value. We showed in our first three shipments that it was sold for WTI, which is the international reference price plus \$2 or \$3.

Sen. Obika: How much you get it for \$56?

Sen. The Hon. F. Khan: The reference price plus three.

Sen. Obika: The actual price, \$56 or \$57?

Madam President: Sen. Obika. Sorry, you will get to make your contribution—

Sen. The Hon. F. Khan: You will get to make your contribution. And you are a young man, listen and learn. [*Desk thumping and crosstalk*]

Madam President: Hon. Senators, let me just make an intervention here. Please,

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let us abide by the Standing Orders and listen to the Minister while remaining silent. Minister, continue.

Sen. The Hon. F. Khan: So, you have a more robust taxation system and your product is referenced against an international standard.

Thirdly, most importantly in terms of the very issue they want to bring up, is that, unlike gas wells—and let me just tell you something different between oil wells and gas wells. Gas wells produce trouble-free for its entire life. You see all those gas platforms offshore, they are all unmanned, operating by SCADA systems. Oil wells are different. Oil wells need servicing periodically. So the service sector benefits much more fundamentally and significantly from oil production than from gas production. A gas well will produce trouble-free for ten years. An oil well, six months to a year, you have to do something called a work-over to clean it out and do these sorts of things. So what was happening at Petrotrin— because the refinery was haemorrhaging so much of money they were taking the value from exploration and production, the cash flow generated by exploration and production, and sinking it into the refinery. So the exploration and production department was now starved of cash.

So here you had a situation in Trinidad with Petrotrin producing 60 per cent of the nation's crude. Trinmar and on land, for the last year and a half, Petrotrin has not had one rig drilling. You cannot be in the oil business and do not drill oil wells. You cannot be in the exploration and production business and do not work over wells. And who does that? Service companies, drilling companies, like Well Services and all these local entities that are very good at what they do. There is a tremendous amount of small workover contractors in the south-west peninsula that have no work because Petrotrin was generating no work. Petrotrin was just paying

people to monitor their existing production, which by the way declines naturally at 10 per cent per annum. So, if you do nothing and you produce 40,000 barrels this year, you do nothing, production will drop by 4,000 barrels the next year. That is called natural decline of the reservoirs.

So here you are in a position where you have a chance to re-energize the whole oilfield operation of the south-west peninsula. So, through you, Madam President, this is extremely good news for the people of Santa Flora, of Palo Seco, of Guapo, of Point Fortin, of Fyzabad, of Forest Reserve, of Siparia, all over the south-west. That is what will create the jobs. [*Desk thumping*]

3.30 p.m.

And that is where the new capital will be injected. Petrotrin, through you, Madam President, sits on a staggering 160 million barrels of recoverable oil. Let me repeat that to you, Madam President, Petrotrin sits, as we speak, on 160 million barrels of recoverable oil, but it takes investment to produce it.

There is something called, secondary recovery, when the reservoirs get old you enhance the reservoir pressure to bring out more oil. Steamflooding—Petrotrin has not done that for years. There is not new technology, but the in-groove technology today is CO₂ flooding. Hear how this is so good for us: carbon dioxide flooding is what you call carbon capture; we, through chimneys in Point Lisas, blow millions of metric tons of carbon dioxide into the atmosphere. We have signed on to the Paris accord, we have to cut that by 20 per cent by 2023. So the plan is, you capture the carbon—the CO₂ at Point Lisas—you pipe it down to Forest Reserve, inject it into the old wells and produce more oil. What better synergy could you want than that? Then there is exploration, we sit on a tremendous asset in Trinmar, especially in a field called Southwest Soldado,

companies lining up to find out if we want to put it on the market, you know, because it has tremendous potential. It is on trend with some major Venezuelan oilfields.

There is something now called OBN seismic, which is offshore, ocean-bottom node seismic, and I speak to my doctor-friend here, Dr. Deyalsingh—and is there another doctor down there? Right. What has changed medicine? Imaging. When I was a little boy “and you go by de doctor, he take a torchlight and he put it in your eye”—I did not know what he was doing that for—“or push it in your ears”, but he was looking at some capillary here that he may deduce you have a tumour or something like that. Now there are doctors who cannot diagnose you without a CT scan or an MRI, because imaging technology has made the job easier. What seismic technology that has transformed the energy sector is imaging the subsurface of the earth.

So, in other words, you give an X-ray or an MRI of the human body for medicine, you shoot a seismic survey and it images you what exists underground, and that now has made exploration a less risky business. So the chances are now when you drill a well with those technologies, your chances of success are significantly higher than in the past. But what you need is three things: capital, technology and the human brain, which now includes software, and that is the type of organization we are going to attempt to build in Heritage.

We have produced so many scholars in this country over the last two decades. We have some of the brightest engineers, subsurface geoscientists, geologists, geophysicists, reservoir engineers, petroleum engineers, chemical engineers, we have to let them loose because they are au courant with the technology, and we have to build the leadership and the environment for them to

blossom and it calls for leadership. It calls for international connection because again, it cannot get too insular with the energy sector, you know, it is a global industry. It cannot operate in a cocoon, you know, because it will go on past you.

So, you need the mixing of talent. We cannot take the position that there should be no expatriates here. We must not have too many of them for the sake of protecting our national legacy, but, however, it is important that we have that synergy with the international market, with the international technologists, with the companies who can provide the service that you want.

Through you, Madam President, in this business everything costs money. It is not a business for charity, it is a business where companies and people know the value that they bring and they demand a good price for their service; you take it or you leave it. You take it, there is a consequence because you have people—like Sen. Ramdeen will come and quote all kinds of figures in isolation, not understanding what the market forces are; you leave it, at your own peril, and that is the state of play. That is what this Government is trying to do. That is what we have to transform and get out of the historical cocoon that the energy sector left us. Let me give you a good example, when Texaco and Shell were here, there were no hospitals in Trinidad, you know, so they opened their own hospitals. There was no Palmiste or Westmoorings for the senior staff to live so they built camps: Forest Reserve, Pointe-a-Pierre, Point Fortin, Clifton Hill, Beach Camp. And in those days to operate in the oil field you must live close to the job, because you know why?—they did not have this [*Member holds up cell phone*]. Today you can monitor a drilling rig from Houston and change the parameters on your computer screen, so the necessity for camps are now irrelevant.

It was a status symbol in the days when I worked in the energy sector. When

you live in Beach Camp or you live in Pointe-a-Pierre, you are walking with your shoulders high. Your children went to private schools, company schools; the medical facilities were there for you, you had the housing; all those things are no longer relevant with today's technology and today's cost structure and work programmes. You have to accept that, and there are people who want to protect that because they have a vested interest in it.

So, we are inching our way out of the old paradigm. We will create a new organization that will bring value to Trinidad and Tobago. It will create high-quality employment, in particular, for our young scholars, for young engineers, for young analysts, for young—a whole cadre of intellect. The world today is idea-driven, you know. The intellectual capacity, there is telemetry; there is everything now that if you cannot go on and log on you are not in the business anymore. “Long ago oil field was about pipe, pipe fitting and ole iron”, today, I have to approve work permits for energy sector workers coming into Trinidad, and I have grown up in the industry—what time do I finish now?

Madam President: Quarter to four.

Sen. The Hon. F. Khan: Quarter to—I will give one last example. For foreigners coming in to work on drilling rigs, we have a lot of drilling rigs offshore. Tool pushers is a skill that we know, but I know Trinidad has a lot of tool pushers. So the last rig here, which is called the Invictus which is the deepwater drill ship that is drilling for BHP, when they came I saw a fairly extended list of foreign tool pushers so I queried it, and I said—this is one of the most modern rigs in the world, eh, coming into Trinidad to drill—I said, well, I cannot approve this, you know. When they took me on the rig and the situation was explained to me, to do anything onto the rig, to move a pipe, to put weight on bit, anything like that, you

have to log on. You have to know the software which the rig operates. It is almost like remote sensing. It is almost like artificial intelligence. So the entire skill sets that the Trinidadian tool pusher had, coming through the last couple of decades, have vanished. He has to be retrained. It is not that he is stupid, you know.

Madam President: Minister, you have five more minutes.

Sen. The Hon. F. Khan: Thank you. He has to be retrained, and that is the whole transformation process that we are going into.

Let me deal with the bp matter. Trinidad is fortunate. We have our challenges with bp and Shell, and BHP and EOG, we are dealing with that, but we have to consider ourselves fortunate that we have three of the top energy companies in the world operating in Trinidad. The only one we are missing is ExxonMobil, and they are right in Guyana now. ExxonMobil is the world's largest, followed by Shell, followed by bp; BHP is coming up, I think, 5th or 6th, they have provided opportunities for Trinidadians over the last several decades. They have Trinidadians in bp in Azerbaijan. They have Trinidadians inShell in Mozambique, in Angola. They have Trinidadians in Dubai. They have Trinidadians in Qatar. I was in Qatar earlier this year, with Qatar Petroleum—which is probably the biggest state company outside of Saudi Aramco—and in the meeting we had, was a Trini leading the team for QP, Qatar Petroleum. We have been fortunate. So if today—*[Interruption]* No, listen to me, through you, Madam President, so if today former bp executives, who served at the highest level in the bp organization, are now willing to come and serve their country, what is so wrong with that?

Sen. Richards: And you bring Wylie.

Sen. The Hon. F. Khan: Good? They are retired, they take a consultancy; some of them do it gratis, some of them do it under cost because they have the corporate

experience, and at that level, how many degrees you have does not matter, you know. You have to have a CV and a track record that shows a profile of leadership and you know what to do to transform an organization. So if you say, bp has taken over the company, well, I say so be it.

Sen. Ramdeen: So be it?

Sen. The Hon. F. Khan: Because the fact of the matter is that you will need some skill sets that have to catapult us ahead, ok? Who are former bp employees?—they are Trinidadians. They are Trinidadian nationals. If you are doing medicine, and some guy is a top surgeon out of Baylor or the University of Houston and he comes back to Trinidad, you have to open your arms and welcome him.

We have to stop this insularity about who is PNM and who is UNC, and who is Indian and who is African, and who is Chinese, [*Desk thumping*] and understand that we are all Trinidadians. We are all in this thing together. The Government has come up with a plan that we think could transform the indigenous state oil sector, and I really, really want to take this opportunity, through you, Madam President, to recommend the Petrotrin transformation plan and the new plan that we have put for Petrotrin and the state oil sector, that you give us your support as we continue along a journey of progress. I thank you. [*Desk thumping*]

Madam President: Sen. Seepersad. [*Desk thumping*]

Sen. Charrise Seepersad: Thank you, Madam President, thank you, Senators, for the opportunity to contribute. When all is said and done, Madam President, it is the employee's dependence and other stakeholders who will directly experience the brunt of the hardships arising from a loss of a steady income or wage, notwithstanding the various benefits which they will receive from Petrotrin.

Bearing this in mind, Madam President, it would be most beneficial if this

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Senate can agree to request Petrotrin to provide positive post-retrenchment support, such as things like financial skills training; this involves investment management, debt management, budgeting, retirement planning; training, including retraining and skills upgrading; entrepreneurship; job search assistance, including things like résumé writing; counselling, because people are going to be traumatized; suggestions for new businesses, and I could go on because the list is not exhaustive, and we can add to it. The point though is to provide meaningful assistance so the displaced so that their lives are not unduly disrupted and they can continue to be productive citizens and not join the ranks of the unemployed and disenfranchised. Thank you, Madam President. [*Desk thumping*]

Madam President: Sen. Obika. [*Desk thumping*]

Sen. Taharqa Obika: Thank you, Madam President. If bp takes over the commanding heights of the economy, in the words of the hon. Minister of Energy and Energy Industries, “so be it”. We have returned to the days of the plantation, Massa days are alive and well to the detriment of the people of Trinidad and Tobago. [*Desk thumping*] Madam President, Lloyd Best must be turning in his grave.

Sen. Ramdeen: And Eric Williams.

Sen. S. Hosein: He is no longer a PNM.

Sen. T. Obika: Madam President, let me start by congratulating Sen. Ramdeen on this very important Motion. [*Desk thumping*] On my way home to Point Fortin last night I took a detour through Pointe-a-Pierre to drop a friend of mine and, Madam President, if you would count the number of vehicles—if you were able to count the number of vehicles, I do not think the car park in the Queen's Park Savannah and the National Stadium could accommodate them. There was a rally there by the

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Oilfields Workers' Trade Union, and in essence what they were saying is that this Government has been the most deceptive Government with respect to managing or mismanaging the resources of this Republic of Trinidad and Tobago. [*Desk thumping*]

Now, let us establish a chain of understanding. At the commanding heights of the economy, once you do that well, or, in this case, if you fumble it, bungle it and mismanage it, as this Government has been doing, it significantly negatively affects business confidence, and I will deal with some particular aspects of business confidence. It also has a negative impact on the investment climate because, of course, if business confidence is low who would be attracted to invest, particularly locally? That is why we are in the fourth year of this Government and the hon. Minister of Trade and Industry had nothing to present to this Parliament in her contribution to the budget. In fact, the entire contribution was about a trade policy yet to be established after having been warned about that since the beginning of this year by myself. Madam President, so the investment climate will be down, economic activity will struggle; gross capital formation, business creation and job creation would be hamstrung. And the final rung, once you mismanage at the top, the commanding heights of the economy, social peace goes out the window.

Madam President, the disturbing points I want to deal with from the hon. Minister's contribution, the Minister made reference to \$25 billion and \$18 billion, and when challenged as to whether this came from the Lashley Report, the response was, no. When further questioned as to where is the source of it, there was a deafening silence coming back from the Minister. Madam President, after hearing this figure from the Government for the past two months one has to

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conclude that this is a figment of the imagination of the Prime Minister and the Cabinet of the PNM, and it is fake news, if to use their words. [*Desk thumping*] Twenty-five billion is fake news because there is no information to back up what they are saying. There is no report. There is nothing to substantiate what they have been saying all this time, especially since the Minister said it is not from the Lashley Report.

So, Madam President, another point I want to also say that is false, again from the hon. Minister's contribution, is that the exploration and production returns will take care of Petrotrin's debts; that is totally false. Because, if that were the case then Heritage Petroleum would have taken over the US \$850 million bond [*Desk thumping*] and the remaining balance on the amortized bond, which will be repaid at 2022, which is at US \$250million at the moment. So Heritage would have taken over that if, in fact, exploration and production could handle. What in fact is really happening—so this is not about pulling wool over the people of Trinidad and Tobago—our eyes, what is really happening is the taxpayers of this country will have to foot that Bill when it falls due.

So another point I want to also rebut, the hon. Minister said that this development is good news, and he quoted a figure, 160 million barrels of recoverable oil; Madam President, in energy economics one has to categorize your reserves of oil as possible, probable and proven. "Possible" has the lowest percentage of being extracted at the point of audit; "probable" is about 50 per cent, and then "proven" means it is about 90 per cent possible, you will get it, but the Minister chose to hide, to scurry behind the word "recoverable"—

Madam President: Sen. Obika.

Sen. T. Obika: I apologize, I retract that word. I apologize.

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Sen. Khan: Recoverable means proven, boy, you don't know— [*Laughter*]

Sen. T. Obika: Madam President, the hon. Minister is trying now to correct his speech, to recover. [*Crosstalk and laughter*] So do not hide, say the facts. If it is proven I think the Minister would have said that, so I am saying it is false, that is false, unless they come and correct the record officially, based on the terminology that we are accustomed to in the industry.

So, another point he said, that this is good news for Santa Flora, Palo Seco, Point Fortin, but I want to say something, this has not been good news for one, Mr. Anthony Aqui, who after working a decade in the fields in Trinmar has his house broken down. Was that good news? He cannot get medical care now from Saturday. The health centres, the seven health centres—so we have Augustus Long, but they also have seven health centres throughout the country. The health centre in Point Fortin in Trinmar is better equipped based on the resources they get from Petrotrin in a financial nature, than the Point Fortin Area Hospital. I went to the Point Fortin Area Hospital just this Sunday with a “dread” headache, “you know what de man tell meh”?—two things. I asked for some water, he said, “We doh have any cups here, so don't think that because you are who you are, we blanking yuh ah cup”. “We doh geh money to buy cups,” one. The second thing, the equipment you have to use to give them the testing, they say, “Wash it out and give we back, we hadda use it, we doh have money to buy ah next one”. That is the Point Fortin Area Hospital. So you want to get all the thousands of persons now who cannot access the health centre in Trinmar base, coming now to jam-up in Clifton Hill with this Point Fortin Area Hospital, woe be onto the people of the south-west peninsula under this PNM Government. [*Desk thumping*]

So, Mr. Aqui has his house broken down, he is now going to be denied

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access to the very good health care he has access to at the Petrotrin health centres, and one of which is in Forest Reserve, I believe. Then, of course, he lost his job, so he cannot even pay for gas to put in his car—the price has risen—to come to Port of Spain to complain. And the last part is, he cannot get a job because he is being excluded from the new arrangement. You know why, Madam President, because he did not work in bp. Because as the Minister said, if bp were to take over, so be it. So Mr. Aquí has to tell his children, I cannot give you food for Christmas, so be it. They are emasculating the people of Trinidad and Tobago, Madam President. Now, the level of diagnosis that the Minister alluded to, it was, while humorous, it tended to “vaps”. I wanted to say magic, but it is really “vaps”. And that “vaps”, there is only one other doctor that operates by such “vaps”, and that is the Prime Minister of the Republic of Trinidad and Tobago.

So, Madam President, when the Minister did not mandate—what was disturbing, the Minister is very good at being a historian, [*Desk thumping*] so I think the University of the West Indies and Prof. Beckles would definitely do well to look into tapping some of his knowledge.

Sen. S. Hosein: He could lecture history in 2020.

Sen. T. Obika: Yes. But post-2020 will be very good, he will need a new job. But, Madam President, the issue that I take here with the story also speaks to another part that has resulted from this fallout. Wilfred Espinet has been on record as saying that the workers in Petrotrin lacked the skills. The hon. Minister, however, unfortunately, also agreed to that, being the sole person required to approve work permits. One would have thought that two things would have been done, Madam President, two things: one, the hon. Minister would have quietly reprimanded the Ministry of Education and the Ministry of Energy and Energy Industries for not

supporting the work of the National Energy Skills Centre and reopening the skills centres in Point Fortin, in Palo Seco and in Moruga, and upskilling the skill centres, the drilling programme in Ste. Madeleine, [*Desk thumping*] in Point Lisas, in Vessigny, and so on.

One would have thought that the hon. Minister would have taken bp to task and say okay, if this is the level of technology that we must have in our skills development programme then you must, we will give you the work permit on this condition. You must take on apprentices per area that we are short in, one, because these are skilled professionals.

Hon. Senator: Who said that was not done? [*Crosstalk*]

Sen. T. Obika: The Minister did not say that was done. The Minister said unfortunately he had no choice but to give the work permits. So, therefore, in fact it was not done. The other thing is—so that should have not happened, but this is me thinking as a policymaker, Madam President. The policy should have been any company coming into Trinidad and Tobago in the energy sector, henceforth, where there is a skilled area where we cannot meet the criteria, to ensure there is proper local participation in the energy sector, mandate them to first give us the right to have apprentices, and also mandate them to come to our skills acquisition centres at the NESCC, at the MIC, at HYPE, MuST, MiLAT, wherever, to make sure the skill sets are translated. [*Desk thumping*]

So, however, Madam President, the people of Trinidad and Tobago will have to wait for a Government to be led by Kamla Persad-Bissessar [*Desk thumping*] to achieve this.

4.00 p.m.

I want to turn to the message I wanted to bring today. However, I was

sidelined a bit because I had to address the lack of policymaking that I observed coming from the Government.

There is a timeline I want to remind persons of. There was a time in August that the Government was saying 1,700 persons will be going home—only 1,700 persons. So since we got accustomed to roughly the same figure going home from ArcelorMittal and Centrin and whoever were the satellite companies in steel, we say, okay well, the economy did not collapse. “People going home”, the rest will be okay. OWTU was shouting from the rooftops, “Here is what, everybody is going home”. They said since then it was 9,000. The 28th of August, that happened. They came back and said it is 2,600. There was some confusion. Then on 16th of September we heard 3,500. Then on the 18th of September, in an interview, the Chairman of Petrotrin, Wilfred Espinet, then uttered those infamous words, “all, all, all,” and at that time he told us 4,700, now we know it is 5,322.

So, Madam President, that is the timeline that we must remind ourselves of. And why do we remind ourselves of this? It speaks at the heart of this Motion, because this Motion talks about little or no disclosure to the public. This Motion talks about the adverse effects of thousands of persons and on the economy. This Motion speaks to one main thing: lack of transparency and the deception of this whole deal. [*Desk thumping*]

So when one looks at a timeline where their Government, August 28th—remember the date, Madam President—and the Prime Minister would stand in this Parliament in the other place and say that in August they hired Wylie—not “Riley”, the name begin with a “W”; let us not be confused; they sound the same but it is totally different—they would have been clear, very clear at that time that everyone was going home. In fact, if one were to be a conspiracy theorist, which I

do not think I am, but if one were to be a conspiracy theorist, one would say that June 19th was the date that this decision was cast in stone.

Why that date, Madam President? That was the date that the Prime Minister, Dr. Keith Christopher Rowley, was given a failing grade at Charlie King Junction by the leader, the President General of the OWTU, at the Labour Day parade. On the economy, fail; health care, fail; education, fail; national security, fail; dealing with the workers, fail. And in the words of our esteemed former Prime Minister, when you oppose him, he opposes you vigorously, and should you continue—the rest that our Prime Minister said is now history.

Hon. Senators: Raging Bull!

Madam President: Members, Sen. Obika, there is a Standing Order and you all are very well aware of it, and I would ask you to curtail the kind of comments you are making now. Sen. Obika please continue, but desist from imputing improper motives and desist from those sort of disparaging remarks, okay?—to that extent.

Sen. T. Obika: I thank you very much, Madam President.

So June the 19th is the date I want persons to remember. Let us go to a different story. As we were to stick a pin, as the Attorney General would say—although he never returns to the pin—let us go to the social expenditure in times of declining revenues. This is from an article by Melanie Richards dated July 06, 2018, and it is from the Energy Chamber's website. This article speaks to information regarding the extractive industries initiative report, and they show you social expenditure of the big energy players in Trinidad and Tobago, the upstream companies: bpTT, the NGC, BG/Shell, Petrotrin, Repsol/Parengo, BHP, EOG Resources. And, Madam President, it may interest you to know that in 2012 Petrotrin spent nearly \$10 million on social expenditure; 2013, 12.8; 2014, 16.1;

2015, 15.3; and 2016, 11.3 million. And 2016, as you would be aware, Madam President, was the first full calendar year of this Government in office.

Madam President, why do I raise this issue? I raise this issue to point out that even though there have been declining revenues so to speak in the energy sector, Petrotrin has always been fulfilling its role as a good corporate citizen regarding social expenditure. What is social expenditure?

There are some youths in Marabella, where I spent a lot of time growing up, that if not for a particular steel band foundation they may not even be with us today. On a particular street, Madam President, you would find it very interesting to know that there is a family that has three young men, and all of them were killed as a result of a life of crime—all of them. This is the street that I grew up on in Marabella. In another household there are families with similar young men, close to this life of crime, that were saved, some of them plying their trade as professional pan players or overseas in cruise ships, lecturing at universities, some of them went on to further their studies as professional players, as teachers in practice. Some of them have gone on to being pan tuners and pan makers, earning foreign exchange for this country.

This band is not officially sponsored by Petrotrin, but practically everything they got is from their sweat, from Petrotrin's sweat and from taxpayers' dollars. So if you remove Petrotrin from the equation, this pan side, and those young people, we are not sure if their stories would be the same. So we must always ask the question: Where will all these organizations that benefit—so I do not even know about Petrotrin Phase II. I think they have changed their name, they are now Hadco I think, or Katzen jammers or Boodoosingh Tassa or the calypso competition in terms of the junior calypso competition. There are many organizations that depend

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on a Petrotrin cheque for their activities to run.

So what would be the impact of that on the economy of Trinidad and Tobago? That question is left abegging because I am sure, just as they did not even know how many persons Petrotrin had on their payroll who would be fired, one cannot expect such level of laziness to have also determined what would be the economic impact of the lack of social expenditure of Petrotrin.

Madam President, could I ask what time I should end?

Madam President: 4.26.

Sen. T. Obika: Thank you very much.

So, Madam President, as I have dealt with that particular question I want to now move on to a very important issue in detail, the substantive issue regarding the health care of the persons in Petrotrin. So, Madam President, it may interest you to know that from Saturday the 6,000 retirees of Petrotrin will no longer have access to health care in this country via the system that they have been accustomed to their entire lives. That alone is a travesty.

If you were to look, there is a memo. I do not have a mailbox to slip it in, but someone had a mailbox and then it landed across my table. It passed across my table, as they say in the public service. This memo, dated, if you allow me, the 9th of November, 2018—that is very recent, about two weeks ago, states: Petrotrin advised all 3,364 exiting employees, through termination letters, Petrotrin will pay—and I want to read just this paragraph, if you allow me.

Madam President: You have to state the source of your document, the date and some information.

Sen. T. Obika: Thank you very much, Madam President. So it is from the

Petroleum Company of Trinidad and Tobago Limited, the Human Resource and Corporate Services Division, HR subdivision, notes to the Board. It is on the status of the Augustus Long Hospital. It is signed by Executive Director, Reynold Adjodhasingh. The memorandum that he would have sent would have been signed by Sharon Morris-Cummings, who is the Corporate Secretary.

It says:

Petrotrin will pay 100 per cent of the cost of the initial insurance premiums for a period of 24 months—two years—to 2020 November 3rd. After this period, should you wish continued medical insurance, you will be responsible to secure your own coverage. This undertaking was reasonably assumed to extend to all eligible retirees—basically, 6,000 retirees.

So, there you have it, the first issue I want to raise on this. The first issue, you have retirees, and you know we are living very healthy and long in Trinidad and Tobago. We are living very long lives, and very fulfilling lives. People are going back to work, people are rediscovering themselves. Those who decide not to go back to work because they have worked for 30 to 40 years already, they are about experiencing the golden years in a way that they did not when they had to work.

So these persons, not like the esteemed persons on the board of Petrotrin, but these persons who have contributed to Trinidad and Tobago are only going to be afforded 24 months coverage. If that is not a disrespect, I do not know what is—24 months of coverage. Can you imagine you have 24 months of coverage after which you must now go and seek some form of health insurance, Madam President? By the time you go to seek this health insurance, you have pre-disclosed medical conditions that have rendered you a significant risk factor for any insurer to take your case. So therefore these persons will have to face very high premiums, very

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high premiums, and obviously they are facing a very indefinite end to their pension benefits because if one were to take the letter from Republic Bank at face value, one has to assume that their pension benefits can dry up at any time.

It can dry up in 24 months. It may dry up after that. However, because the bank has simply raised an alarm and the Government has not cleared the air, these pensioners, these 6,000 pensioners and the 5,000 workers who are also laid off, they have no clue what will happen after, one, their insurance premiums have ended, and two, their pension plan has folded. So these people could be out, after having built the foundation of the economy of Trinidad and Tobago, they could be out in the cold with not even “a sweetie to suck”. I think that is reprehensible in the least.

When one goes on to read the memo, there are two other points that are alarming. One has to do with the eventual company that got through with the bid, and it is all over the news, persons know it is Sagicor. And the question one has to ask: What was the process that the Government engaged in to arrive at Sagicor? Is or are there any persons in the Cabinet connected to persons in Sagicor? It is a valid question; I do not know. Are there any persons who are high-ranking Government officials who are connected? That is another question I think the people of Trinidad need to answer—need to know, sorry. Well they are trying to answer it themselves on the radio programmes and so. So, Madam President, this is so disturbing that I think I would leave it there, because there are other persons who can also go further into that issue.

Now, there is another question one wants to ask. Where was the request for proposals regarding this issue, regarding the important issue of the health coverage for over—not just 11,000 current employees and retirees, what of the families of

these persons, the over 20,000 to 30,000 people? What would be their positions? The women who are about to deliver, who have been prepared to deliver, to give birth? The Minister of Health came and spoke about some progress in Sangre Grande, but the South West Regional Health Authority, I want to submit today, will be at a crisis point, because most of the health centres that were referenced belonged to the South West Regional Health Authority in Trinidad and Tobago. And one can only imagine, if you call the names out, you would get an idea.

I just want to reference an article that pointed out the exact locations of these health centres. It is from the *Newsday*, September 05, 2018 titled:

“Petrotrin’s Augustus Long Hospital ‘to function as normal’.”

And it states here:

“Another source close to Petrotrin told *Newsday* the 50-bed...”—well it is actually 49-bed based on the Government’s submission—49-bed “hospital caters to at least 20,000 patients annually. The source said the hospital along with the seven medical centres located at key Petrotrin installations in south Trinidad such as Point Fortin, Pointe-a-Pierre, Penal, Santa Flora, Fyzabad, Guayaguayare and Trinmar marine base”—would be affected.

So we have these areas. These are in the south, and the majority in the south-west.

Another question one has to ask is: When these 49 beds are taken out of circulation this Saturday, just 82 hours from now, what will be the position in the health care system in Trinidad and Tobago? Would it be as before where you had to write your name for a simple procedure as hernia and see that your date is 10 years in the future, and you literally wrote down in a book—because I could remember as a child writing down in the book, seeing the year 2000 and that was in the year 1993. I thought at that time I would never even live to see that time, it

just looked so far away because I was obviously 10 years old.

So is it that we are going to be returning to this when you remove these 49 beds from circulation? Because we know the Government has no intention—and I am hearing the hon. Minister of Public Utilities saying that 49 years is no big deal—

Hon. Senators: Forty-nine beds.

Sen. T. Obika: —That 49 beds is no big deal, but these 49 beds service over 20,000 patients—20,000.

Hon. Senator: “He have a bed, yuh know.”

Sen. T. Obika: So it is not 49 people lying down on beds, it is a hospital facility with 49 beds that service over 20,000 people. So I am not sure the Government understands these things, but clearly they need to be taught that the decisions that they are making affect everyone negatively.

Now, Madam President, there is another point I want to bring out because I only have about five more minutes remaining and there is a point I want to bring out regarding care and duty of care. If the Government had opened the Couva Children's Hospital the population would have said they cared, but because they have failed to do so and they are in their fourth year, the next year of their term is an election year. Nothing can happen then because if nothing has happened and they are in their fourth year, I do not think anything can happen in their fifth.

So they are in their fourth year of their office and nothing has happened regarding the Couva Children's Hospital. [*Desk thumping*] Over 200beds there, and if a hospital facility with satellite health centres can take care of 20,000, based on Petrotrin's report, but it is more than 20,000, you can only imagine what a 200-bed facility can do. [*Desk thumping*]

So I want to turn on to the knock-on effects of this refinery. The petroleum subsidy. Under the hon. Minister's Ministry, the Ministry of Energy and Energy Industries was pointing to a Dominica model that the price that we may pay for gas, and they showed that the price would have increased by more than 50 per cent in any case as from what it is now on diesel, super and premium.

Madam President: Sen. Obika, you have five more minutes.

Sen. T. Obika: Thank you very much.

However, that is when you add all the costs for trans-shipping, brokers' fees, redistribution and so on. However, when the question was posed to the hon. Minister in Parliament in the other place as regards the cost, the true cost per litre to the taxpayer, I believe that the response was, "That is an answer for the Minister of Finance". So I think what the people of Trinidad and Tobago deserve to get by now, these imports of super, diesel and gasoline, premium, what is the true cost to the taxpayer?

The Minister of Finance was on record lamenting that the fuel subsidy would rise above \$1 billion by the end of calendar 2018. What is the size of the fuel subsidy at this point in time, given the fact that we are importing? Given the fact that the Minister of Finance is on record in the other place on *Hansard* as saying, during the budget debate, it is 1.7—I think he said—billion is the amount owed by the State to Petrotrin indirectly, based on not paying the fuel subsidy? What would be the new amount owed?—because clearly the State cannot owe these foreign entities so they will have to pay on demand when the fuel is delivered to Trinidad and Tobago. What will be the new level of this fuel subsidy? The Government must answer this question to the people.

The other question they must also answer regards the Heritage and

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Stabilisation Fund. The price of oil was set at \$65 per barrel, West Texas Intermediate has dropped to around \$55 a barrel. As of two weeks ago it is below \$60 consistently, and therefore it is below the 57.8 benchmark to set off the Government dipping into the Heritage and Stabilisation Fund. The Government must answer on my last point: Will they dip into and raid the Heritage and Stabilisation Fund in this fiscal year?

With that, I thank you.

The Minister of Agriculture, Land and Fisheries (Sen. The Hon. Clarence Rambharat): Madam President, thank you very much for giving me the opportunity to speak on this Motion.

When I was growing up in Rio Claro the least desirable meal was something called “macafouchette”. What it was, was whatever remained: a piece of ochro, an end of meat, some of this, some of that. It was when you did not go to the grocery or the market, whatever remained.

I listened to my colleague, Sen. Obika, a young man from Point with an interest in Petrotrin and oil and gas, and an economist and all of that, and I thought there was going to be something of substance, a steak, but I got “macafouchette”. [*Desk thumping*] And after the story of the house being broken down—and that is marginally connected to oil, and only connected because the owner of that land where the demolition took place is Trintopec, a company that has long departed. So that is a real stretch of a connection to oil and gas and the economy. That is as close as it came to a discussion on oil and on this Motion.

You know, as you laugh, as you smile, Sen. Obika, I will also tell you about something I learned early in Rio Claro. My colleague Sen. Khan will know, and I hope I am not out of order. I also learned very early what is joke for school boy is

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death for crapaud; and that is what this is about. I am hearing about the 9,000 you know, but what about the other one point something million people at risk? Who is speaking for the one point something million citizens of this country who have been put at risk with the state in which Petrotrin finds itself?

Madam President, nothing I say today should diminish my and this Government's concern about Petrotrin workers, the fenceline communities and the wider economic interests which are at risk when you deal with something as significant as Petrotrin. Nothing I say should diminish my concern. I do not want to rehash it. I know they left—no that is not the day you left—the day when, yes, you left that day—when I recounted my experience, having not only been “VSEPed” in Caroni, but having “VSEPed” myself from Caroni. It was not an easy decision, and it was not something. I recounted it, but I will not say more, I will invite you to go and read it on the *Hansard*. So it should not diminish my concern and our concern with Petrotrin. But what matters at the end of the day is the state of Petrotrin, and the fate of the citizens of this country based on what is happening in Petrotrin.

Let us not “macafouchette” Sagicor. Well look, Scotiabank announced the sale of its interest in certain parts of the Caribbean today, and the insurance business of Scotiabank is being sold to Sagicor. So if Sagicor is good for Scotiabank, a massive bank, a well-run bank, you do not think Sagicor is good enough for the Petrotrin employees? If you come to shoot, shoot. If there is a Cabinet Minister with an interest in Sagicor and leveraged that interest to get, say it. Put something substantial in the pot, and stop putting scraps on a matter that is important to the national interest. [*Desk thumping*]

Madam President, all of this—in my community I have an interest in a pan

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side. I cannot dance, I cannot play pan, I cannot sing; I have an interest in a pan side. But to think Sen. Obika, a young man from Petrotrin, you are willing to put this country at risk for the sponsorship of a pan side? Come on "nah" man. Thank you, Madam President.

Madam President: Senators, at this juncture we will suspend for the break, and we will return at 5.00p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Madam President: Minister of Agriculture, Land and Fisheries.

Sen. The Hon. C. Rambharat: [*Desk thumping*] Thank you, Madam President. Madam President, the Motion before us has three main elements in it. The first is that Sen. Ramdeen has taken the position that the decision of the Government in relation to Petrotrin was without stakeholder consultation and with little or no disclosure to the public.

The second part of the Motion is that Sen. Ramdeen is saying, the decision to close the Petrotrin refinery will have direct adverse consequences on thousands of persons, as well as on the economy of Trinidad and Tobago. And the point I was making before I took the break was that the decision to keep the Petrotrin refinery in its current form will have even more adverse consequences, and I will talk about that.

And then the third area of the Motion is that he had asked the Senate to take note of the failure of the Government to disclose a viable and credible plan to address the needs of those persons and so on.

And, Madam President, the Opposition has been going around the usual way talking about "the Government has no plan". In everything that we deal with, the

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Government “has no plan”, and on Petrotrin, the Government “has no plan”. Yet at the same time, making allegations and attacking McKinsey which forms part of the plan of Heritage, Paria, Guaracara, the holding company, all of those are elements of the plan. The decision to terminate the employment of the workers, as unfortunate a decision as it is, forms part of a plan.

So that the Motion must fail, not only because the mover of the Motion has failed to defend his own Motion, nothing in this Motion could be supported by what is in the public domain.

Madam President, my colleague Sen. Khan dealt with this issue of stakeholder consultation and disclosure to the public, and you get the impression that the Opposition believes that this is a surprise decision, this has come upon us like a “thief in the night” but, Madam President, that is not so, there has been a history. And the only thing that ought to concern us is the fact that, if we go between 2010 and 2015, we will find absolutely nothing in the form of a plan, a credible plan, an unworkable plan to deal with Petrotrin because between 2010 and 2015, the behaviour was that Petrotrin will continue in perpetuity; “is no big deal”.

And just before, in fact, Madam President, just before the 2015 general election the Public Accounts (Enterprises) Committee of the Parliament considered the financial statements of Petrotrin for the period September 30, 2008 to 2013, the five-year period, 2008 to 2013, and the report was laid in the House—and the membership of the committee is interesting.

We had from my friend's side Ms. Marlene Coudray; Rudranath Indarsingh trade unionist; Mr. Fazal Karim; Mr. Chandresh Sharma; I believe I saw Mr. McLeod there too, Errol McLeod, former Minister of Labour and Small and Micro Enterprise Development. So, my friends on the other side were well represented on

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this Public Accounts (Enterprises) Committee tasked with examining the accounts of Petrotrin.

And when you look and when you read the report, the report, Madam President, on page 19 under the heading "Petrotrin's Debt situation" is clear, it says:

Officials indicated that in 2010, the company inherited a debt of TT \$12 Billion. This debt was due to two (2) major projects which"—had—"commenced..."—previously—"...which cost US \$1.8 billion and the WGTI Project which cost TT \$3 billion."

And then the report goes on to take note of the two bonds, US \$850 million and US \$750 million at a yield of 11 per cent and 6 per cent.

So this debt that Petrotrin finds itself in, it is not news. The two bond payments are not new, we knew it was coming. And what I have not heard, in fact, in relation to the budget debate in response to the then Sen. Ramkissoo, I made the point that in all the emotion I have not heard anybody say, how we are going to pay that bond that is due next year, the \$850 million.

I mean, what?—so that if you are attacking the Government's decision on Petrotrin, and, Madam President, the Government is entitled, that is why we were elected, not to sweep the truth under the carpet. We were elected, good times and bad times, to make the decisions that ought to be made.

And at no point from 2010 to 2015, with the full knowledge that at 2010 the indebtedness, the debt of Petrotrin was \$12 billion, there is absolutely, absolutely nothing that the Opposition can put forward as part of their Motion which talks about a credible plan. The very thing that Sen. Ramdeen said we lack, a credible plan, not a plan, a credible plan for dealing with Petrotrin.

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And all the discussion that has taken place out in the public domain, for those who wish to risk the one-point-something million in support of the 9,000, none of them are advancing a plan to deal with the US \$850 million bond payment with more to follow.

Even the trade union leader, Madam President, who found investors—if I was in that position representing these workers who were going home, and I was tasked to put forward an alternative, an option for the Government, and out of nowhere came the two angel investors willing to—what did my friend say?—something about “suck”, suck in this US \$850 million bond with, that is lunch and US \$750 million for dessert, I would surely have remembered the names, I would surely have remembered.

And you talked about McKinsey calling the chairman “Wilfred”. Well I would have been on first-name basis with those fellas, and I would not have gone in the place where you have to deal with the matter and not remember the investors, and that is only because, Madam President, there is no plan but this plan. This is the plan, and it falls to this Government to implement this plan as harsh and unacceptable as it sometimes seems. It was there, Madam President.

Madam President, I have listened to everything that has been said about Petrotrin, and there are four realities that that Motion failed to address; one is debt servicing, the other is the revenue situation at Petrotrin. The third is the investments required to make Petrotrin profitable over the long term, and the fourth is the risk profile of Petrotrin. And let me start with number four, because people believe, and when I was in sugar they did the same. They behaved as though that 100-year-old factory was brand-new technology that could compete with Brazil and Thailand and so on, and I spoke about it before.

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Madam President, one oil spill, my colleague Sen. Khan knows that, and I was there. I was there in the last oil spill, and my colleagues were in Government in the one before that. The risk with that poor infrastructure is perhaps greater than the risk of a Petrotrin default on its debt servicing, the risk, because we might be able to control the numbers in relation to the people who we owe, but a major spill in Petrotrin, we would not be able to control and the damage will be significant.

So when we talk, we behave as though this is a brand-new—the major challenge, and in this report, the Fifth Report of the Public Accounts (Enterprises) Committee with Mr. McLeod, and Mr. Indarsingh, Ms. Coudray, Mr. Sharma, they knew. The report addressed it, the lack of proper maintenance of the infrastructure over the last decade. This is their 2015 report. The previous decade would have been five years, 2010 to 2015. The lack of maintenance, the inability to produce offshore, what?—because of aged pipelines and so on and aged infrastructure.

So, Madam President, to make Petrotrin efficient, to make the refinery and to make the infrastructure produce, there must be investment. And let us face the reality, you are so heavily leveraged, your revenue stream you are unable to support yourself, far less infrastructure investments, because I will get to that when I talk about revenue. You are unable to invest in yourself, to maintain what you have to meet your day-to-day commitments, your primary production has suffered because of quantity because of failure to bring new oil to the market, and because of the international pricing.

So as I said when I spoke about my experience in sugar, when I was asked why I was leaving the sugar industry, I said it is an impossible place to be a leader, to be a CEO. You have no control over the cost of your input, your material, you

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have no control over your labour cost, you are at the mercy of the trade unions, you are selling outside at a fixed price, and it is impossible. And when companies find themselves in a situation of impossibility they have to reorganize the business.

And at the heart of the Petrotrin decision, at the heart of the plan is not a decision to get out of oil production in this country, it is not a decision to stop being a refiner, it is not a decision to stop supplying energy products to the local and the regional markets, it is a decision to do so using a different corporate structure, using a different employee profile and doing things differently like we have always been asked to do, we have always been asked.

And one of the problems we always complain in this country is that we are not dealing with the state enterprises, we are not willing to do this. Well listen, we have to, and Petrotrin is one of them, and this Government is dealing with them on the basis on which we have outlined.

Madam President, in this report on the accounts, the committee asked a question to Petrotrin about being able to manage, given all that the committee found in terms of the revenue and so on, and they asked the question and it is captioned, "Solvency of PETROTRIN and the Downturn of the Energy Market" that is the caption. And I would read, it is on page 31 of the Fifth Report of the Public Accounts (Enterprises) Committee; and it is very important. It reads:

"The Committee inquired whether PETROTRIN viewed itself as being solvent in the midst of a downturn of the gasoline and crude oil market. PETROTRIN'S officials informed the Committee that because the company is in the business of exploration and production, as well as refining and marketing, there was no need for concern."

Twelve billion in debt, two bullet payments coming shortly, and there was no need

for concern.

“Petrotrin indicated that their current five-year forecast showed their company will remained viable and sustainable even during this downturn. PETROTRIN also...”—stated—“...that the entire petroleum market was a cyclical market in which they have been through on countless occasions.”

That is what Petrotrin's management put forward in response to a question. This committee has just examined your accounts for five years, and they are asking you about solvency; that is not normal question.

When you examine or when you look at the accounts of a company, that is not a normal question for anybody to ask, but anybody with a knowledge of how things work and a little understanding, any housewife, anybody could tell you that, if what is coming in is less than what is going out, you are treading water. But not one of the company officials who came before this committee understood, not one used the language.

In other words, we have gone through this “plenty time”, but you know what has saved them? They are state enterprises. A state enterprise that could ask the Minister of Finance to guarantee to provide money to pay for imported oil, to guarantee debts, and to bail them out, while at the same time not remitting taxes that are required.

So with Petrotrin, it is a one-way street beating a path to the Minister of Finance, and every dollar that is spent on Petrotrin picks the pocket of those that are not working in Petrotrin; and that is what this plan addresses. This plan as it ends up, we are not doing an injustice to the Petrotrin worker. The Petrotrin worker, they are covered by a collective agreement, they have a union, they are in court with their employer, they have their pension plan with the rules that set out

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the benefits to be provided. They have their medical plan, they have their hospital. This is not about injustice to Petrotrin, but this is about justice to the rest of us because we have carried that load for a very long time, and for a long time the signals have been sent that they cannot continue like that. And from 2010 to 2015, my friends were prepared to bury their heads in the sand. We are not prepared to do that, there is too much at stake in relation to Petrotrin for us to be playing the fool.

And the revenue situation. We have heard all the figures. So what people do, Madam President? Petrotrin is producing 40,000 barrels a day, the price of oil is US \$60 a barrel, so they multiply US \$60 by 40,000 a day, and Petrotrin making real money, without realizing, like most enterprises of state entities and state activities in this country, the more you do, the more you lose. And when we spoke about on the Bill relating to court pay, I told you that. There are people in this country who will not allow payments made to the State to be collected electronically, they prefer that it costs \$500 with a clerk sitting by a desk with two security guards there. It costs \$500 in the state sector to collect 50 cents.

Somebody went to HDC recently to pay \$300 to get a search done. It took them one hour in the line to pay that. Could you imagine the transaction cost? How much it cost them in terms of time, and how much it cost HDC just to collect \$300?—that if even in the current environment, if you went to a Play Whe booth, a Play Whe agent, you could pay money that will eventually be remitted to the Treasury because I keep saying, you could buy a ticket to a fete in this country by Play Whe, but cannot pay for a government service using the same electronic system, and that is what we miss in places like Petrotrin. When you watch revenue, nobody is checking that with every barrel of oil that Petrotrin refines, it actually

loses more money.

In other words, it is cheaper for Petrotrin to cease all activities, and just maintain the staff by paying them their salaries, it is cheaper. Sen. Baig, you look shocked. And just like your colleagues who had the accounts and did not have much to offer, go and check the accounts, go and check the revenue profile, revenue. When you are in the state sector, it only looks at revenue; check the expense side; check.

And Sen. Khan will tell you, every additional barrel of oil that is refined in Petrotrin comes at a greater loss to the taxpayers. So it is not just revenues, it is the expenditure profile, it is the cost of doing business, it is what Petrotrin inherited, expensive contractors, cost overrun on projects, failure to manage projects, procurement issues, all those things have added up over a period of time and it falls to us to deal with.

And the issue of debt servicing. Petrotrin, Madam President, every time Petrotrin and the Minister of Finance and some of my colleagues have made the points in either answering questions previously or in the public domain, this issue of how Petrotrin runs its business. In the normal scheme of things, you are supposed to be taking money generated by your revenue to buy your raw material.

A fella making corn soup and selling understands that. The corn soup man understands that, that you have to first pocket the money to buy your raw material, and then you pocket your profits. But in the case of Petrotrin, when Petrotrin buys this raw material that goes into their refinery and marketing business, they do that through the Minister of Finance, they do that by borrowing, and the Minister of Finance has been saying that. They will say, talk about debt and Petrotrin being able manage its own affairs, that is not true.

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Petrotrin is doing its core business by riding on the backs of the other 1.1 million to keep the 9,000 going, to keep the expensive contractors going, to fund the cost overruns, to fund the efficiencies. It is the rest of us in the country that have been carrying the load, and you cannot service.

When this payment becomes due, how is Petrotrin going to make? Where is it coming from? And I am waiting for anyone of my colleagues on that side to say to me, in terms of the complaint of the absence of a credible plan, how Petrotrin is going to service its debts, money is due next year. How are you going to pay the \$850 million?

But, Madam President, in all of this, I have listened to the 850-million discussion, in all of this, people forget that the holders of those bonds, the holders of those bonds have first recourse. They are the ones who could put Petrotrin out of their mystery; and what would happen then? What would happen if the holder of the bond decides that there is an issue to Petrotrin's ability to pay, and then they take control of the affairs of Petrotrin? Where do the employees rank in such a situation? I have not heard anyone so far deal with the issue of priorities.

So that if—and you do not have to wait for the bond to be due. You do not have to wait, we do not have to wait for that. If one of the holders of the bond believes, and why should they not believe, it is the owner of Petrotrin saying that we cannot make the payment. Why should they not believe? And if the holder of the bond takes action, then the employees will be far worse off; which brings me back to the Motion.

The Motion complains that the decision to close the refinery will have direct consequences on the thousands of persons and so on. And the persons who are most exposed are, of course, the employees. But in this Motion I have not seen a

complaint that the Government has failed to honour the severance payment provision in the collective agreement, I have not seen that. I have not heard that argument in the court. There was one argument in the Industrial Court which was not new, and one decision of the court which also was not new.

When you take the Petrotrin Industrial Court decision and put it side by side with the 2003 Caroni decision, they are the same. It addressed the issue of failure to meet and treat in the consideration of the good industrial relations practice. It was not an examination of the merits of the Government's decision. It did not go into the balance sheet and the financial performance of Petrotrin, because even the court understands that, that an employer must be given—

Madam President: Minister, you have five more minutes.

Sen. The Hon. C. Rambharat: Thank you—must be given the opportunity to run its business. And this Motion, and nothing I have heard here, I heard about Wylie, Riley, but I have not heard. There are people I know, James Williams lives up by me. He was very happy to get his letter because Caroni Limited, all people moan and groan about the Government and the PNM did this to Caroni, well I will tell you, by the time the calculations were done and the letters being prepared, 3,500 Caroni workers were better off going home and not working the remainder of their careers; 3,500. Three thousand five hundred with the payment they were getting, with the offer of land, retraining, with the pension arrangements which were put in place, were better off.

I am not saying anybody should be happy by losing their job, but the fact is that, between employer and trade union, they have negotiated an agreement, and if there is an issue with the agreement, they will go to the Industrial Court.

5.30 p.m.

And this Motion before us, as bare as it is, makes no allegation that we have failed, or we are unable, or we are unwilling to meet the commitments of the workers. And I do not know how many of you have gone through this, the Government and nobody, McKinsey or anybody, nobody could specify in that level of detail, what is going to happen with all the assets and so on. Nobody is going to do that. But what we know is that the Government has outlined a plan for Petrotrin. It has to do with the debts that become due in the next two years that we cannot pay, it has to do with Petrotrin's long-term, long-existing problems, it has to do with infrastructure and the poor state of infrastructure, and it has to do with being in control of our affairs and not allowing a bondholder to come in and run things. And this is, as bad as it is, this is the best and only opportunity for us to hold the reins and manage Petrotrin down to where it should be, and at the same time give opportunities.

I have heard bp being attacked, and I do not want to defend bp, I am a past employee of bp, and bp is in my community in Mayaro. But, this thing about, you are talking about bp, and Sen. Obika talking about "massa day done", but check the contribution of bp to this country's economy. Check the contribution, and check the resources and the investment and the capital that bp has and they have brought to the country. Why not? Why not? In the situation, we have demonstrated that we are unable to run Petrotrin. Why not infuse the company and the successor companies with the talent required to give us the best in bad circumstances.

Madam President, this Motion must fail. It is not even defended. [*Desk thumping*] It is not even defended by the mover. It is not even defended by the second speaker on the Opposition Bench. And if I give them the remaining time in this session of Parliament they will not be able to put forward a credible plan for

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Petrotrin. When they had the opportunity to do that, they did absolutely nothing.

I thank you. [*Desk thumping*]

Sen. Anthony Vieira: Thank you, Madam President. Before I begin let me just preface by saying, my training as a lawyer inclines me towards being cynical. But, we should not confuse being cynical with being jaded or prone to conspiracy theories, because I am not into either of those two categories.

Having said that, there is just one little niggling thought about the restructuring exercise that I just want to get off my chest, and it is this: Petrotrin has been stripped of all its assets and property. Now, I understand we are disaggregating an integrated oil company, and these assets and properties are being put into three new vehicles. These vehicles have no liabilities, they have no conveyancing fees, they have no taxes due. There is going to be no fallout from ongoing litigation. So, they are really nice plums. And because they are under the Companies Act they can be easily transferred, they can easily be acquired by third parties by a simple sale of shares. So, I would just like to say, I am not suggesting for a moment that there is anything invidious or sinister, but I would like to be assured that safeguards are in place to guard against the loss of national assets and patrimony. [*Desk thumping*]

Now having said that, I want to thank Sen. Ramdeen for bringing this Motion. [*Desk thumping*] Not so quick, because even though I may not agree with his proposition, and even though I may not agree with his resolution, he has raised important issues, which afford a platform considering matters which should be of interest to all of us. The parts that resonated most with me in his Motion have to deal with issues pertaining to redundancy and the displacement of workers, the desirability for stakeholder consultation, the future of jobs for workers in this

country, and the need for proper planning. This I hope will be the beginning of a crucial conversation that we need to have where the stakes are high and emotions run strong.

Petrotrin was a major player in this country's economic development in the 20th Century, and it is really sad to see its demise. It is a hard situation all round. It is hard for the workers, it is hard for those who do business with the company, it is hard for management, for the union and for the businesses in the area who are going to be affected. Now, I do not know about a plan to bring down Petrotrin, but it is clear that Petrotrin has become an albatross. And as hard as it is for everyone, the company and Government are under a duty to act decisively and responsibly.

Much has been said on this already and I do not want to belabour the point, suffice to say, it is indeed a difficult situation. As a company operating under the Companies Act, the directors of Petrotrin are under a statutory duty to act honestly and in good faith, with a view to the best interest of the company. And the Act specifically prescribes, that in determining the best interest of the company, the directors must have regard to the interest of the company's employees in general, as well as to the interest of its shareholders. So, I would like to believe that the directors, mindful of the underlying risk mapped out by Sen. Rambharat, the risks threatening the company, have acted honestly in the belief that the course they have charted is in the best interest of the company, calculated to avoid events which may bring down or seriously damage the company and ultimately the country.

Now I want to talk a lil bit about the workers. Because, as I said, Sen. Ramdeen has given us a springboard to talk about jobs and the future of jobs. What happens to a person who through no fault of his or her own loses their job? I

remember when my father lost his job when I was younger and how that affected me and my family. Besides the loss of income and concerns about being able to meet payment obligations, you are gripped by fear, anxiety. There are feelings of shame as though you have done something wrong. And besides the loss of self-esteem, some succumbed to alcoholism, abuse and domestic violence is not uncommon. So, the loss of a job can be debilitating and traumatic, not just for the job loser but for his family and for communities. And so we must all be concerned and do all we can to cushion the fall for those who through no fault of their own now find themselves in difficult circumstances.

Treating with displaced workers requires care and compassion, and that is why in our jurisdiction a person's job is regarded as a form of property and not to be trifled with. But people can lose their jobs through no fault of their own where there is a redundancy. And that is to say, where there is surplus labour, a shutdown, or a change in company operations which has resulted in redundant labour or a labour force in excess of the company's requirements, and in such a situation the employer has a right to retrench any redundant worker. This is an ancient common law right which has merely been regulated by the Retrenchment and Severance Benefits Act.

But my concern, Madam President, is that Petrotrin may just be the beginning of a tsunami of redundancies to come. Petrotrin went under as we have heard because of grave systematic issues, \$12 billion in debt, bond payments that are becoming due, out of sync spending and, of course, the energy crisis did it in. But there are other elements operating at large that we also, I respectfully suggest, we ought to be paying attention to. Sen. Khan spoke about the need for technology, the human brain including software, having to transform and to get out of the old

cocoon, I think is what you said. Well, I want to agree with you, but I think there is a dark side to that, and this is what I want to make in my contribution. The new technologies are changing the way we work. The new technologies have the potential to do away with the jobs of most workers.

We are in the midst, Madam President, of what is being called the fourth industrial revolution, a revolution which is transforming the world profoundly and which will have significant ramifications on our lives and in industry. Mobile Internet, machine learning, artificial intelligence, synthetic biology, materials engineering, block chain, self-driving cars, drones, advanced robotics, and the Internet of things are going to trigger a destructive effect in the labour market. Robots do not get sick, they do not need breaks, they do not need health insurance. Robots eliminate human error, and they can do the same job as several people at a one-time cost.

But I want to suggest not only blue-collar workers are going to be affected. The technological advancements are going to change business models, and threaten jobs in nearly every sector, including white collar and the professions themselves. Sen. Khan had mentioned about how the necessity for camps is now irrelevant. You can monitor a rig from Texas. Well, that is right. But what does that mean? It means less jobs for people. You do not need them. Automation and digitization has the potential to help banks cut their labour forces, and we can expect further redundancies as banks streamline their businesses. Advance robotics are going to provide a vastly cheaper, better all-round customer care service than human workers, and this is going to cause serious disruption to job markets as customer interactions will be handled without a human agent.

A friend of mine just came back from a meeting in Silicon Valley, and he

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did not have a bellhop. He had a lil robot following him, taking his orders. If he needs toothpaste, opening the elevator, everything. This is the world we are living in, self-driving cars and block chain, which some are already touting as the greatest technological innovation since emergence of the World Wide Web. Well, block chain has the potential to do away with the jobs of professional middlemen like lawyers and agents. Now, it may not render all professions obsolete, but it is going to change roles. And so traditional professions also need to be flexible and to adapt. So Sen. Ramdeen's Motion highlights job displacement for me, and the direct adverse consequences on Petrotrin's refinery workers. And it is right and just to be concerned about them, but I suggest we should also be looking at the transformative trends and the bigger picture.

Sen. Khan you spoke about inching our way. We are not inching our way. What is clear is that these transformative technologies, the velocity of change is unprecedented. The technological advancements are changing business models, and they are going to threaten jobs in every sector, and we need to prepare for the anticipated job displacements. We need to get beyond the tribes effect which leads to an "us versus them" mentality, and which tends to generate a self-righteous, adversarial and closed mindset. I would like to see a reconfiguration of our political, business and social relationships.

There is always potential for division in this country. We are divided in every way possible; geographically, south people are not interested in town or Tobago; class; religion; race. There is a lot of potential for division. But there is also potential for unity, as we saw recently with the floods, where everybody came together to help. To prevent an unemployment crisis and the possibility of social unrest, we need to enact social and political reforms.

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We need to invest in human capital via education, and aligning these with our needs, and everybody has to get on board. We need to do a whole examination of drug classifications. I was talking with someone the other day who was saying, you know, that in the Ministry of Works and Infrastructure you have these old cutters, grass cutters. A grass cutter in the 21st Century, when you have a lil machine you could just drive around in. All of these things are passé, they are obsolete, they are redundant. We need to go and revisit all of these things because they are going to be left behind. We are going to have a lot of people who are going to be unemployable. Our workers have to be retrained. Government needs to adapt its policies and regulations to the challenges posed by the technologies into business processes, and a top-down approach is not going to work. An astute Government will seek to collaborate with the unions, with citizens, and with business in a new way.

So, come back to redundancy. Even if a dismissal is genuinely on grounds of redundancy, whether it is fair or unfair to dismiss the employee normally depends on whether the employer acted reasonably in reaching the decision to dismiss. Individual consultation is required in all cases. The law requires notice to the Minister of Labour and Small Enterprise Development where five or more workers are being made redundant.

Now, I do not know the status and the content of the relevant collective agreements. But as a matter of best practice, I tend to agree with Sen. Ramdeen, that where large numbers are involved, the company should be under a duty to consult collectively. People are more likely to commit to solutions resulting from open dialogue, and where ideas and information are genuinely and freely shared. And on the other hand, people tend to resist decisions which are made without

consultation. The challenges posed by the fourth industrial revolution is going to affect everyone. We need to stop bickering and divisive grand-staging and grand-charging.

Sen. Ramdeen's Motion speaks to the direct adverse consequences on thousands of persons as well as on the economy of Trinidad and Tobago. Well, that prompts me to call for a national colloquium involving Government, unions, business, professions and academia. The floods were a natural disaster, but there is an economic disaster looming on the horizon. Being prepared is key. The only way we can successfully meet the challenges ahead is for us to come together. Our survival is going to depend on this. From all I have heard Petrotrin is in dire straits. Sen. Khan spoke of the haemorrhaging of money and the grave systemic issues. Sen. Rambharat talked about the \$12 billion debt. And besides the risk of financial collapse, the company should not be operating if it is technically insolvent, otherwise you run the risk of what they call fraudulent trading.

So, the actions taken by the directors and Government have been conducted under adverse circumstances with limited options. I have no doubt about that. I would like to believe that there has been consultation with the individual workers, and that they are all going to be treated fairly. I would also like to believe that Government's operational framework has been carefully thought through, and the decision to cease refining operations is the best available option in the circumstances. I accept that when Government analyzed Petrotrin there were realities to confront, and I have not seen any evidence to suggest that Government has acted dishonourably. So, I will not support the resolution in condemning its actions in closing the refinery.

My hope though is that we can all learn from the experience, and treat what

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has happened at Petrotrin as a warning about what the future potentially holds. The crisis at Petrotrin was years in the making, and the powers that be really took too long in dealing with it. Had things been dealt with in a more timely fashion, who knows, Petrotrin's closure might have been mitigated or avoided. This is a failing of past administrations. But we are in the midst of the fourth industrial revolution. Job displacement, there is a tsunami coming, and it is going to threaten the jobs of all workers, and it is fast approaching. Time is not on our side.

The Petrotrin workers will get severance and other benefits, others may not be as lucky. Was Government clumsy in the way the situation was handled? The country will decide. Could the situation have been handled better? I do not know. The Chinese have a saying, it is easy to name the problem, but fixing it is a different story. What I do know is that we need to learn from the experience and to commit to solutions resulting from open dialogue where ideas and information are going to be freely shared. This would lead to smarter decisions. We need to rethink traditional ideas about the way we work and we earn money.

Madam President, thank you. [*Desk thumping*]

Sen. Hazel Thompson-Ahye: [*Desk thumping*] Madam President, I rise to speak to this Motion, and this is because I was drawn to a particular segment of the Motion, direct adverse consequences on thousands of persons, that decision to close the Petrotrin refinery.

Following on my colleague, perhaps it is fortuitous that I should do so, I would like to distance myself from the very first remark that he made about lawyers. He spoke of lawyers being cynical. I speak here on behalf of a constituency that is very close to my heart, and that is the constituency that has no political voice, that cannot speak for themselves, the children of this country. We

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sing along with Whitney Houston, "I believe the children are our future, treat them well and let them lead the way", and we sing with great verve and vitality. And, do we really believe that? In 1991, Trinidad and Tobago ratified the Convention on the Rights of the Child. That was 27 years ago. And in doing so we made a solemn promise to children that we are going to do right by them, that is the Children's Bill of Rights. Since 1215, we have had the Magna Carta, that is 803 years; children are now getting their rights, and we promised, faithfully, that we will give them the rights to which they are entitled as human beings. That is their human rights.

My particular interest is justice for children. So, when I say I depart from my friend, I go back to the Child Justice World Congress I attended in Geneva, and I left there with the mantra ringing in my heart and soul. All of those justice Ministers present there came to that resolution, that juvenile justice practitioners, lawyers, all of those who care about children and justice for children are merchants of hope. We must have hope. So we must also offer solutions. Nelson Mandela in his book, *Long Walk to Freedom*, that made me remember in my school days, some books are to be digested. You do not just read it. So, I am digesting that book. When I went to South Africa—I always **overpack**—I did not buy it then, it was too heavy. My daughter gave me a gift, so I am reading it. And one of the things that he said is that, sometimes—I am paraphrasing. I actually wrote it out but it has disappeared from me—that when you are pushed, when you reach a place where you feel there is no hope, that is a time for opportunity.

So, there are many opportunities. We ratified the Convention, and having ratified, we submitted our initial report. That Convention is supposed to be known by adult and children alike, and I am not going to embarrass anybody by saying,

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how many people actually know the principles and provisions of the Convention. And, after we submitted the report, what happens, the Child Rights Committee that is in charge of implementation and Article 43 gave us a list of issues. We respond to the list of issues and we have the concluding observations containing the recommendations. And one of the recommendations of the Child Rights Committee on our last report, because having submitted it late we have another report, 2006, so we are way behind. But I understand we are going to be do it very soon.

So one of the recommendations was education and training of a number of people, including parliamentarians. And why educate parliamentarians? Because we pass laws, and we pass laws that impact on children. And if we pass laws that impact on children, we ought to know that these laws all comply with the Convention on the Rights of the Child. In addition to what is in the Convention, the Child Rights Committee expands on an understanding of the various principles—articles of the Convention by giving general comments. And one of the general comments that came out from the Child Rights Committee in 2013 is the state obligations regarding the impact of the business sector on children's rights. So, we always have to think about what impact our business decisions have, the companies. What impact does it have—do these decisions have on children and their rights? Are we in compliance? My friend, and this is where we agree that losing a job is very traumatic. Very traumatic.

William Ayers who wrote about the children's court, he spoke about the great depression in 1933—before all of you were born. All of you are young people here. [*Laughter*]—and he said the murder rates spiralled out of control. Now, just think, what happened recently in this country? We had the report from

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the Children's Authority. We had a report also from the Child Protection Unit, and both reports spoke to horrendous abuse of children in this jurisdiction. And most times we get them we say, "Ooh and aaah, what's happening?" But we know that children are abused, and we know also that when you suffer a traumatic experience, it is going to affect you. You are going to lash out on your children. So, most of the abuse we hear, they are being carried out by parents.

So, what is going to happen when parents themselves now are traumatized? They are frustrated. They feel, you know, they have lost their sense of identity. How am I going to actually take care of my family? I may have a lump sum payment, but then how long is it going to last? So, if the parents are abusing the children now, we expect that the abuse will escalate. Let us be real. And then what is going to happen? Hurting people, hurt people.

So, children are going to get, first of all, in many instances, a direct hit, and also they are going to suffer secondary trauma. Because what happens to you as a parent affects your child. You are a child and you are looking on and you see mother is suffering, father is suffering, you are also going to react to that. And then when children begin to act out, how do we treat them? I got a call from Mayaro the other day, and that is why I remember—I see we have plenty "Mayaroians" in the House. I have deep roots in Mayaro, more than some people who say they belong to Mayaro.

Sen. De. Freitas: "Eh heh?"

Sen. H. Thompson-Ahye: All right? Yes.

Hon. Senators: "Aaaaah."

Hon. Senator: I have crossed the room, you know.

Sen. H. Thompson-Ahye: Yes, I have been—do not take my 40 minutes please.

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Yes, so the fact is, I—[*Interruption*—yes, Mr. Mayaro, my mother was a Timothy, right? She used to say Timothy from the Bible, and they are from Mayaro too. [*Laughter*] Immortalized by Michael Anthony in his book.

So that this call from Mayaro was, do you know that this child who got herself in a lot of trouble and was suspended from school has a parent in prison? And I thought back to that symposium that was held in the University of the West Indies earlier this year that I attended, children of incarcerated parents. And I heard the testimony of some of those children, it was very painful to listen to.

So, we have all of these things happening, children who are suffering, and we talk about zero tolerance. Zero tolerance, when really we should be talking about healing those children. So, we ought to change our way of dealing with children because there is going to be fallout in many instances, because of the loss of jobs, because of that loss of the sense of self and self-esteem; and think about doing things another way.

6.00 p.m.

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Franklin Khan): Madam President, I beg to move that this Senate do now adjourn to Tuesday 04, December, 2018, at 1.30p.m. During that sitting, if the Income Tax (Amdt.) Bill is passed in the other place we will be debating that. If not, we will be debating a Bill entitled, An Act to Amend the Magistrates Protection Act.

Madam President: Hon. Senators, before I put the question on the adjournment, leave has been granted for two matters to be raised on the Motion for the adjournment of the Senate. Sen. Obika.

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Southern Main Road to Point Fortin

(Impact of)

Sen. Taharqa Obika: [*Desk thumping*] Thank you very much, Madam President. [*Crosstalk*] I want to start this Motion on the adjournment by telling the people of Point Fortin that they can rest assured that the United National Congress will be defending them all the way to the General Election in 2020. [*Desk thumping and crosstalk*] Now, this Motion has to deal with the impact of the road, the Southern Main Road to Point Fortin, the negative impacts on the society and there are four dangers. Four dangers. The first is to road users; the second is to the cost to the pockets. So the next “damage”, as we say in Trinidad, is to the pockets of the users of the road. The third danger has to do with road safety and the fourth danger is a danger to our democracy in Trinidad and Tobago.

With respect to road users, Madam President, we have schoolchildren heading to school who cannot focus because in the vehicles within which they are traversing they are so affected by the poor roads that they cannot concentrate and relax on their way to school. We have pregnant women, Madam President, I say so because my wife is also pregnant.

Hon. Senators: Congratulations. [*Desk thumping and crosstalk*]

Sen. T. Obika: Thank you. I am not sure husbands could take praise for their wives’ pregnancy but I will take it, I will convey the message. [*Crosstalk*] But when you are driving there—you can imagine when I am driving by myself, I can drive more freely, but when I am driving with my wife, it takes almost twice the time because the road is so bad. Then we have ambulances, I do not know how they make the journey, I really do not know. And we have prisoners going to court and those vehicles drive very, very, quickly. The cost to users, Madam President, is

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that there is a longer-time journey and we all know time is money and in this age one cannot afford to sacrifice time. And another cost is the damage to the vehicles of the users.

With respect to damage to the vehicles, I want to turn to an article in the *Trinidad Express*, dated the 31st of October, 2018:

“Road Rage in La Brea, Point Fortin”—by Kimoy Leon Sing.

And it states that they were looking at the whole—the tensions mounting in Point Fortin and La Brea regarding the road and the Taxi Drivers Association President, Mr. John David, was leading these protests and he said that:

“...‘It has been like this for some time’—that is the road—“but it is getting worse. It is costing drivers almost \$2,000 monthly to repair their vehicles.”

Madam President, this can only mean that it will result in an increase in cost to the same users on these roads.

Danger number three has to do with road safety. Accidents can occur when you are dodging potholes. In fact, when you are driving on those roads, Madam President, you have to determine which pothole you will fall in, because you will fall in one. Then you have the representation. It is actually dangerous to our democracy—and I will explain that with a passage that I want to read from—in that, you have the Pitch Lake in La Brea. Can you imagine we boast of our world-famous asphalt that surfaces roads all over Europe, Africa, China, the Caribbean, but in the locale, where the asphalt comes from, the roads are the worst in the world. That is an indictment on this Government. [*Desk thumping*]

Now, what is even worse is that the people in those two constituencies have voted, have placed their faith in this Government. They have stained their fingers, in the old days of shedding blood for when you vote, they ceremoniously dipped

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their finger in that red ink for this Government, only to realize that nothing has happened. Madam President, when a government declares that they do not respond to protests, a tone-deaf government, this tone-deaf Government responds that they do not respond to protests, all the citizens hear is that your Government really does not care. They do not care about you.

So you could protest from today till 2020. They are not going to do—in fact, what we had is the shameless display of a Government Minister coming to this House and stating that they are going to engage in a road-patching exercise. Now, Madam President, if the potholes did not take away your shocks, the rises from the patches will damage your suspension. So you are now dodging potholes in some parts and small hills in the others, because those patches are a very unsightly thing.

Now, Madam President, I want to read a short extract here regarding the importance of roads to national development. Because:

“The development of the transport road network plays an important role in the economic development of a country and, therefore, the kilometre-age of paved roads existing in a country is often used as an index to assess...development.”

So, how many kilometres of paved roads you have is used as an index for development nationally and within your country at the regional level. So:

“The proper development of the transport road network”—in the case of Trinidad and Tobago—“not only reduces the cost of transportation, both in terms of money and time, but also...”—integrates—“various regions within the country...”

So what is that in essence? In essence what we are saying is just as Point Fortin has contributed to the development of Trinidad and Tobago by virtue of oil

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and gas, La Brea, by virtue of the port at Brighton, by virtue of the asphalt and the skills of the people in Point Fortin—I mean, without Point Fortin, Madam President, we would not have even our Road March from this year because Trinidad and Tobago must not only thank the Siparia “Dr. MM”, they also have to thank Austin Lyons, “SuperBlue”, because without him the song would not have happened.

So, Madam President, if we have to analyze the cultural, economic and social contribution of Point Fortin to the development of Trinidad and Tobago, and then we juxtapose that by the fact that the people of Point Fortin should they fall sick, may die before they reach San Fernando, because if they do not end up in an accident on the road, the shocks do not go bad or the driver just strikes, because he cannot afford it, it really shows you that this Government has forsaken the people of Point Fortin, La Brea, Cedros and the entire south-west peninsula over the virtue of this road.

I want to close by saying this, when they were in Opposition they shouted from here and there about the highway, saying that the Partnership was building it on cash and they did not want to approach international lenders because of the strict criteria. In their fourth year in Government, Madam President, it would shock you to know that they have not approached these same international lenders to face these same stringent criteria. [*Crosstalk*] Thank you very much. So what it means is that this Government has failed to fix the roads, failed to provide the roads, failed to listen to the people and they have failed to deliver on the highway project. I thank you very much. [*Desk thumping*]

The Minister of Works and Transport (Sen. The Hon. Rohan Sinanan):
Madam President, I am a bit confused this evening because I have a Motion here

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filed by the hon. Senator, that says: The failure of the Government to properly execute the Point Fortin Highway Project and bring timely relief to the people of south-west Trinidad. [*Crosstalk*] And the Senator got confused, spoke about the question he asked earlier. [*Laughter*]

Hon. Senator: “He parang de wrong house.”

Sen. The Hon. R. Sinanan: And then started to talk about the Eastern Main Road going down—

Hon. Senator: The Southern Main Road.

Sen. The Hon. R. Sinanan: —the Southern Main Road, and I am confused that the Senator did not even understand the Motion that he filed. He mixed up the Motion with the question.

Hon. Senator: “He parang de wrong house.”

Sen. The Hon. R. Sinanan: Madam President, I came to defend the Motion on the Point Fortin Highway. I am sorry you did not bring a full Motion, that I probably would have had 40 minutes to talk about the south highway and not just 10 minutes.

Hon. Senator: “Wrong Motion, man. You bring a commotion.”

Sen. The Hon. R. Sinanan: Madam President, let me go back to the history of that highway because I came to debate the highway and you got confused with your Motion. Madam President, I just want to quote the hon. Minister of National Security when we formally opened the first package of that highway, and I just want to quote the hon. Stuart Young, Minister of National Security, on June08, 2018.

The Point Fortin Highway Project reminded this country of the history of that project under the hands of the former UNC administration and the

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award of a billion dollar in cash contract to a company that is now internationally covered completely in what has become known globally as the biggest corruption scandal in the world, not in Trinidad and Tobago, in the world.

The first incarnation of the UNC Government, we are still reeling from the Piarco International Airport, but that was just \$1-point-something billion. [*Crosstalk*] This highway is the biggest corruption scandal—

[*Madam President stands*]

Hon. Senator: Irrelevant.

Sen. Ameen: Relevance?

Madam President: Seriously, Sen. Ameen. I am on my feet to ask Members, please, you can choose to sit here quietly and listen to the Minister or you can leave. And if you choose to sit here and you are not being quiet then I may ask you to leave. You all get it, right? Continue, Minister.

Sen. The Hon. R. Sinanan: Thank you. Madam President, this highway was a PNM project tendered out in 2010 under the People's National Movement. When the bids came in, the engineer's estimate was \$3.6 billion. The contract was not awarded. Why? Because the bids came in \$1.6 billion over the engineer's estimate. The then PNM Government decided we are not going to award it because we have to either re-tender it or renegotiate. What happened? The Government changed, the UNC Government awarded the highway for \$5.2billion; \$1.6 billion over the engineer's estimate. There was a land acquisition estimate for \$400 million. As we speak with, with about 50 per cent of the land acquired we are close to \$600million and a significant amount of the land that was purchased and paid for was not required. [*Crosstalk*]

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Madam President, what was the highway? The highway was simple, a 47 kilometre, four-lane highway, broken up in three segments. The UNC awarded the contract to the OAS Company. What happened? In 2011 they awarded the contract. In 2012, the contractor recognized that time was running out on them. They asked for a rescheduling of the contract. In 2013 they came back again for a rescheduling of the contract. In 2015—it was supposed to be delivered at the end of 2015. By the end of 2015 with less than 50 per cent of the contract being completed, they re-scoped the work again and never started back the work in 2016.

What this Government did? Terminated the contract on them, went to court and was successfully able—Sen. Obika, the reason why we did not go to the international lending agencies as yet is because on that case the Government was successful to get back 1 billion taxpayer dollars [*Desk thumping*] to continue the work on the highway. One billion dollars. And that is the money that we are spending now to complete the highway.

Madam President, it is a pity I really do not have the 40 minutes to debate this. When this Government took over the highway, what did we have? We had an incomplete highway, eight bridges incomplete, most of the roads incomplete and what was significant, this was a design-build contract. So obviously the design should have been completed, 80 per cent of the money for the design was paid; less than 50 per cent of the highway was designed. So what this Government had to do, we had to engage CH2M to continue the designs.

This Government took a decision to tender the—break the remainder of the highway into 12 packages and Sen. Obika is saying nothing is happening. Well, Sen. Obika, the reason why you think nothing is happening is because there is no corruption in the project right now. [*Desk thumping*] So without corruption it is not

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in the front page of the newspaper every day. This Government broke the packages up into 12 segments and we went out for competitive tendering. And I must say, Madam President, eight of those packages have already been awarded, eight. Four are being evaluated now. So, by the end of December/January if the evaluation is completed, it means that the entire segment of the highway would be awarded. The prices that are coming into, we have brought the price back down, close to the \$3.6 billion figure.

In other words, we were able to go back to the original figure that was the estimate for the highway. That is what this Government is doing. And if Sen. Obika goes to Point Fortin, as he tried to give the impression, you will see at least four different contractors working on that highway as we speak. The highway has local contractors working, why? Because the Government took a decision to break the packages up so that local contractors could now compete for the packages. And so far the local contractors have been very successful in winning all the packages that went out for tender. Unlike what had happened previously, where one contractor was able to get a contract for \$5.2 billion and no local contractor was able to qualify. Madam President, as we speak—as I said, NIDCO is evaluating the final four packages. And once those four packages have been completed an additional two packages will be designed so that we can have the highway in its original design at a significantly less cost than it was being done under the UNC.

So, Madam President, this Motion, if Sen. Obika did not mix—I presume he mixed up the question and the Motion. If Sen. Obika had defended the Motion that he brought, he would realize that the highway project to Point Fortin is under way and a lot of work is going on. But I do not think Senator—maybe he takes a different route when he is going to Point Fortin. [*Laughter*] Sen. Obika, I will take

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you up on a Saturday morning and I will take you to the project and you will see the project. [*Desk thumping and crosstalk*] All right?

So, Madam President, Sen. Obika did not really give me—

Hon. Senator: Walk with security. [*Laughter*]

Sen. The Hon. R. Sinanan: Sen. Obika did not really give me the challenge that I was really looking for in this debate. And I really wish if you could really file a good debate and let us talk about the San Fernando project. But there are so many things that could come out of that San Fernando project, my advice to the UNC Bench is stay away from the San Fernando—there are too many things inside there that you all “doh” want to come out, but eventually it will come out. Because as I said, there are land acquisitions that our great grandchildren will still have to be paying for, [*Crosstalk*] going down the road, hundreds of millions of dollars in land acquisitions. [*Crosstalk*]

Madam President, I thank you for the opportunity and I just want to tell Sen. Obika, be very careful with the Motions that you are bringing to the House. I thank you. [*Desk thumping*]

**Citizens Affected by Flooding
(Exemption from VAT and Duties)**

Sen. Dr. Varma Deyalsingh: [*Desk thumping*] Thank you, Madam President, for allowing me to raise a matter of the need for the Government to grant citizens affected by the severe flooding, exemptions from value added tax and import duties on flood protection devices and personal items. I think we saw the Petrotrin disaster coming. We actually knew from looking at past reports, looking at previous governments, looking at the handling of the whole Petrotrin, we knew that there were going to be—a state will reach where we would eventually have to

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take some hard decisions and I empathize with those persons who have lost their jobs from Petrotrin, and their social fallout. I empathize with them.

My colleagues here mentioned about the hard times they will get, the fact that the children will be suffering and the whole idea that the society here will suffer from this fallout. But what we did not see is on Friday the 19th of October, entire families would be devastated with this flood. Homes that never even had an ounce of water coming into their homes, had water going right up to their ceilings. This was very, very, traumatic to those persons there. Entire communities were actually traumatized with this. The fear, the plight of the people, some of those, you know, had suffered great loss, even business places suffered their losses.

So then, even recently after the major flood we had another flooding occurring. So, some people got what we call a double whammy, twice, they had the flooding and somebody reached out to me and said, “Doc, I don’t know when the next flood arises, what will happen”. “Will the same thing happen?” So those persons are traumatized. Anytime rain falls they would not know if, again, they will have this sudden loss, this devastation again. So the recovery, it is very difficult for some of those individuals. And some of those individuals, even though they are thankful for the grants that we have gotten from the Government—\$15,000, I think, you know, in some cases \$20,000—some persons, again, you know, it is not enough, because their whole household, they have to refurbish and then if they are going to be flooded out again, they are like sitting ducks, they are just waiting for this to happen. So that is a great fear they have.

So just as how we are asked to bail out some of those Petrotrin workers to make sure there are services in place for them, similarly, I think we have to help bail out these flood victims. Because in these harsh economic times, you know,

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people are stretching their last dollar and it is difficult for them and even with the grant I am saying this, it is a great difficulty.

So I say, let us give those persons a chance to protect their homes. There are various flood protection devices available. There are floodgates, different devices you could actually inflate. You can make a whole wall 20/30 feet with flood barriers. There are what you call sandless sandbags—I do not know why they call it that—where you can actually reuse it. There is something called—the reusable barriers, there is blockage. There is something called a WIPP System, where it is a water-inflated pump protection system now.

Citizens have—and business places, you know, they told me if they can bring in these devices, if they are allowed to bring in the water pumps, large waterproof bags where you can take household furniture and actually put in a waterproof bag and leave it there. So citizens are asking if they can bring in these, solar-powered water purifiers, charging systems, and I am saying if we could afford, you know, to allow these persons to bring in these devices VAT free and without any taxes attached to that, it will bring a relief for some persons to protect themselves.

Also, in this Christmas season, people are accustomed bringing in barrels, their family bringing in stuff for them and people are accustomed bringing in three, four barrels. Now, at this time, we have some of those victims there who have mentioned that their relatives may want to send items for them. Also, certain NGOs, certain church groups have mentioned they have an interest in sending personal items to those persons. And all I am asking here really is if we could consider, you know, that those persons may not be able to afford to pay their tax and duties if persons send these items to them. So I pray the Minister would

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consider some level of relief for these flood victims by giving some consideration to that request. Thank you. [*Desk thumping*]

The Minister in the Ministry of Finance (Sen. The Hon. Allyson West): [*Desk thumping*] Thank you, Madam President. Madam President, I would like to thank the new Senator for his contribution and his suggestions. But to look at the issue one has to understand the implications of the way in which you provide relief. When one decides to provide relief by giving a grant, there is control over the amount of money that is being spent, over who it is given to, so that you can predetermine what your costs are and as I said, maintain control over that. When one gives relief through the tax system that control is significantly reduced.

Now, I was involved in the implementation of that and the persons who came to Trinidad to recommend how the VAT system should be structured were very clear on their instructions or on their suggestions, on their strong recommendations that a system of VAT, to work at all, should be a clean, even, system with very little adjustments or release. In the absence of that, it is near impossible to control the VAT to administer the system, to ensure your collections are where they should be. We saw the implication of that when under the last administration, the majority of food items were zero-rated. Prior to that, the original philosophy was we would zero-rate basic essentials, so we kept it tight. And throughout the operation of the VAT system when I was involved in administration we sought to ensure that we continue to do that. Once the floodgates were opened and a whole wash of VAT exemptions were granted, it made administration collection of the system really difficult. And to date, the administration has not recovered from that.

What we are about to do in the Ministry of Finance is—well, the study has been

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commissioned and it will start shortly—to assess the quantum of leakage in the VAT system; the inefficiencies in the VAT system as it is. And in determining the VAT cost you may be surprised to know that they do not—the IMF, I think, is the body that is doing the work, does not look at only the leakages, because people have failed to register when they should, because people failed to pay when they should, that kind of thing. As far as the world is concerned, the VAT cap is the difference between what we would collect if we charge a standard rate of VAT on everything in Trinidad and Tobago and what we actually collect.

So that not only covers the defaulters who should be complying, but do not, but it also covers the loss of revenue that we incur through the various concessions that we give. The zero-rating of items, the exemption of items, so all of these are seen to be losses. And the difficulty with that is when you give, as I said, a relief through the system, like a VAT system, it is impossible to predetermine what your cost is. Which is why we have to conduct an exercise so that we can get an assessment of how much VAT we could potentially collect in Trinidad and Tobago versus how much we are actually collecting and what gives rise to the difference.

So, while we fully agree with you that the people who suffered in the recent flooding, in particular, were very hard hit, that they do need some support and relief and the Government as you recognized has made an effort to provide relief to them—and this relief, you need to remember, was provided without any consideration of the fact that these people would be entitled to insurance coverage in respect of the losses they incurred. So they got cash payments to deal with, to cover some of the costs they incurred and they would be able to make claims to their insurance companies for the balance. So we try to be fair without bankrupting the people of Trinidad and Tobago.

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But that, as I said, is an approach that is controllable in terms of cost, that is quantifiable in terms of cost. When we say to Trinidad and Tobago that we are giving flood victims relief from VAT, in respect of the importation of flood prevention devices, and appliances, how do we determine who is entitled, what they are bringing in, whether it is actually for flood relief or something else, who should benefit.

I am sure that Members of this House would have read the recent reports that even in the system that we thought was robustly handled and controlled, there were instances of abuse. There were people who got cheques who were not entitled. And there were people both inside of the system and outside of the system who contributed to that. How much more of that would we suffer if we said, “anybody who suffered flood relief” would be entitled to bring in equipment through the ports of Trinidad and Tobago. We have questions about how that operates. The customs officers and the other port workers will be the ones in charge of determining who qualifies. If we extend the relief to only people who suffered from the recent flood, what happens to people who say well, I am in a flood-prone area, I should also get a benefit. So, where do you draw the line?

So, I agree and I think the Government agrees that we need to keep revisiting how we provide relief, the forms in which we provide relief and we certainly have to look more closely at what we do to control the flooding. The Ministry of Works and Transport is engaged in an exercise now to review the incidents that have occurred within the recent years to look at where the weaknesses are, to determine different solutions or the best solutions to deal with them and we are working on that.

As part of our review of what we are suffering because climate change—

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Citizens Affected by Flooding
(Exemption from VAT and Duties)
Sen. The Hon. A. West (cont'd)

2018.11.27

which certain members of the international public think is not real—climate change is affecting us and will continue to affect us. So we do need to look more broadly at the issue and determine how we tackle it and one of the ways to deal with it may be to invest, as a country, in these flood prevention devices, but we need to be careful as to how we encourage that kind of activity.

So as I said, it is something that is currently under review; I welcome your suggestion. I will raise it, but we need to be careful in the approach we take to providing relief. So, as I again thank you and I will undertake to update you as we come to a decision on where we go with this matter. Thank you, Madam President.

[*Desk thumping*]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 6.32 p.m.