



2014/15 SESSION
of the
BERMUDA
HOUSE OF ASSEMBLY

OFFICIAL HANSARD REPORT

28 November 2014
Sitting number 4 of the 2014/15 Session
(pages 283-368)

Hon. K. H. Randolph Horton, JP, MP
Speaker

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BERMUDA HOUSE OF ASSEMBLY**OFFICIAL HANSARD REPORT
28 NOVEMBER 2014
10:03 AM***Sitting Number 4 of the 2014/15 Session**[Hon. K. H. Randolph Horton, Speaker, in the Chair]***PRAYERS***[Prayers read by Hon. K. H. Randolph Horton, Speaker]***CONFIRMATION OF MINUTES
21 November 2014**

The Speaker: Members, we have the Minutes of November 21st, 2014. All Members should have received the Minutes.

If there are no objections, the Minutes will be confirmed.

No objections? The Minutes are confirmed.

*[Minutes of 21 November 2014 confirmed]***MESSAGES FROM THE GOVERNOR**

The Speaker: There are no messages from the Governor.

**ANNOUNCEMENTS BY THE SPEAKER
OR MEMBER PRESIDING**

The Speaker: There are no announcements from the Speaker.

MESSAGES FROM THE SENATE

The Speaker: There are no messages from the Senate.

**PAPERS AND OTHER
COMMUNICATIONS TO THE HOUSE**

The Speaker: We do have papers and other communications to the House.

The Chair will recognise first the Honourable Minister for Finance. Honourable E. T. Richards, you have the floor.

Hon. E. T. (Bob) Richards: Good morning, Mr. Speaker.

The Speaker: Good morning.

**UK ENTRUSTMENT LETTER
GOVERNMENT OF BERMUDA AND CANADIAN
COMMERCIAL CORPORATION CONCERNING
REDEVELOPMENT OF AIRPORT**

Hon. E. T. (Bob) Richards: Mr. Speaker, I would like to lay for the information of this Honourable House the UK Entrustment Letter proposed for the proposed contract between the Government and the Canadian Commercial Corporation.

The Speaker: Thank you, Minister.

Are there any objections to that?

That matter will be laid.

The Chair now recognises the Honourable Junior Minister for Home Affairs. Junior Minister Sylvan Richards, you have the floor.

Mr. Sylvan D. Richards, Jr.: Good morning, Mr. Speaker.

The Speaker: Good morning.

EMPLOYMENT (PROTECTED DISCLOSURE) ORDER 2014

Mr. Sylvan D. Richards, Jr.: I have the honour to attach and submit for the consideration of the Honourable House of Assembly the Employment (Protected Disclosure) Order 2014, proposed to be made by the Minister of Home Affairs under section 29A(5) of the Employment Act 2000.

The Speaker: Thank you, Minister.

Are there any objections to that?

That matter will be laid.

And we now recognise the Minister again. Carry on.

GOOD GOVERNANCE (PROTECTED DISCLOSURE) ORDER 2014

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

Once again, I have the honour to attach and submit for the consideration of the Honourable House of Assembly the Good Governance (Protected Disclosure) Order 2014, proposed to be made by the Minis-

ter of Home Affairs under section 3(7) of the Good Governance Act 2012.

The Speaker: Thank you, Minister.
Any objections to that?
That matter will be laid.
Thank you, Ministers.

PETITIONS

The Speaker: There are no petitions.

STATEMENTS BY MINISTERS AND JUNIOR MINISTERS

The Speaker: The Chair will first recognise the Honourable Minister for Finance. Honourable E. T. Richards, you have the floor.

UK ENTRUSTMENT LETTER—PROPOSED CONTRACT WITH CANADIAN COMMERCIAL CORPORATION

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker. In my Ministerial Statement of last week, on November 21st, I confirmed that the Government has received an entrustment letter from Her Majesty's Government in the UK for Bermuda to contract with CCC to redevelop the airport. This was despite the fact that a recent legal opinion had established that a separate entrustment was not necessary.

In accordance with Government's commitment to transparency, and in reporting to Parliament, I am today tabling this entrustment letter. I can advise Honourable Members that the Government is currently in discussions with the Governor on the terms and conditions specified in the entrustment letter, and the Government commits to update this Honourable House on the outcome of these discussions in due course.

The Speaker: Thank you. Thank you, Minister. The Minister has a second Ministerial Statement. I would recognise the Honourable Minister E. T. Richards again.

BERMUDA'S G8 BENEFICIAL OWNERSHIP PLAN—UPDATE

Hon. E. T. (Bob) Richards: Thank you very much again, Mr. Speaker.

I am pleased to be able to provide the Honourable House of Assembly with an update on Bermuda's G8 Beneficial Ownership Action Plan. Mr. Speaker, in 2013, the G7 (just formerly G8 before the exit of Russia) agreed upon a set of common principles. These principles are designed to tackle the misuse of companies and legal arrangements.

The principle provided that beneficial ownership information on companies should be accessible onshore to law enforcement, tax administrations and other relevant authorities, and that that information could be made available through central registries of companies' beneficial ownership, and basic information at national or state level.

Mr. Speaker, it is instructive to note that the principles include a provision which recognises that a one-size-fits-all approach may not be the most effective method, and that the endorsement was made subject to each G7 member's constitutional arrangements.

Mr. Speaker, in 2014, the G7 restated its commitment to transparency by expanding the options available to all countries to include an option to develop a legislative regime which permits beneficial ownership information to be made available either through central registries or other appropriate mechanisms.

Mr. Speaker, while the G7 has declared that the principles would be consistent with the Financial Action Task Force (known as FATF), with FATF standards on transparency and beneficial ownership, the Government of the United Kingdom has adopted a different approach, which not only exceeds FATF standards, but also exceeds the G7's commitment set down in the principles. In that context, the Government of the United Kingdom committed to implement a publicly accessible central registry of beneficial ownership information. Legislation that will introduce a public register for company beneficial ownership in the UK is currently passing through Parliament.

Mr. Speaker, it is important to note that the Government of Bermuda established a legislative framework over 70 years ago requiring persons wishing to incorporate in Bermuda to provide central authorities with information on the proposed ultimate beneficial owner or owners of a business. Ironically, there is currently no requirement in the UK for this information to be filed with a UK central authority.

This Statement is intended to provide the House of Assembly with an update on the activities undertaken by the Government of Bermuda today.

Mr. Speaker, following the 2013 G7 meeting, the Government of Bermuda was asked to publish its G8 Beneficial Ownership Action Plan by the Government of the United Kingdom, and to consider whether Bermuda, together with other Overseas Territories and Crown Dependencies, would be willing to consider the UK model as opposed to the G7 model.

Given the nature and scope of the request, the Government of Bermuda was required to consult with industry accordingly. Mr. Speaker, since early 2013, the Government of Bermuda has been engaging with industry stakeholders with regard to the UK's request and the appropriate actions for Bermuda to take in response. This consultation concluded that there is overwhelming support for Bermuda's present

disclosure regime and that Bermuda should not move to the new model of regulation until its adoption by Canada, the United Kingdom and the United States of America.

Moreover, to do so without simultaneous, similar action by competing jurisdictions would put Bermuda at a significant competitive disadvantage and severely damage our economy. This position is supported by the Cabinet of Bermuda.

The Government of the United Kingdom has been advised of the Bermuda Government's position by way of meetings with the Foreign and Commonwealth Office and HM Treasury, accordingly.

Mr. Speaker, I wish to reiterate that it has, of course, never been the case that we simply adopt recommendations blindly or unthinkingly. That is not the Bermudian way. The Government of Bermuda is fully committed to meeting high standards and international best practices. But we also continue to see it as critical that regulatory regimes remain appropriate, having regard to the particular nature of our business and to the particular risks inherent within it. That means that we undertake a careful review of all changes to ensure they are suitable, or whether alternative avenues may offer a better or more appropriate route.

And, as we always do, we will carry forward that process in an open and transparent way, involving fully the industry and other stakeholders in the positive dialogue that we consider has offered so much to the overall effectiveness of our framework.

Thank you, Mr. Speaker.

The Speaker: Thank you. Thank you, Minister.

The Chair will now recognise the Minister for Community, Culture and Sports. Minister Wayne Scott, you have the floor.

Hon. R. Wayne Scott: Thank you, Mr. Speaker, and good morning.

The Speaker: Good morning.

MIRRORS PROGRAMME 2014 WELCOME HOME CEREMONY

Hon. R. Wayne Scott: Mr. Speaker, I rise this morning to share with my honourable colleagues the exhilarating experience that was the 2014 Mirrors Welcome Home Ceremony on Sunday, 23rd of November 2014.

I say "experience," Mr. Speaker, rather than "event," since nearly all the attendees, including participants, committed partners, volunteers, Mirrors staff, Parliamentarians, family and friends were transformed by the powerful testimonies of the young men and women who moved to a new phase of their lives.

Mr. Speaker, last week the Mirrors Programme hosted its 10th intensive residential pro-

gramme for young adults aged 15 to 19. On Sunday evening, 23rd of November, the organisation celebrated the culmination of the residential phase of 16 young people's journey with the welcome home ceremony held at the Whitney Institute Middle School.

Mr. Speaker, the celebration was an acknowledgement of both an ending and a beginning for 16 mature, bold and self-aware young adults who identified that there was something more they wanted for their lives. Each of these young adults said *Yes!* to an opportunity to transform their lives and transcend themselves beyond their limitations.

Within the last 10 weeks, each of these young adults identified the challenges that existed in their lives—lack of self-confidence, challenges focusing, alcohol and/or substance, difficulty trusting, dissatisfaction in relationships with adults, academic failure, just to name a few—and make the powerful choice to look within and confront themselves in order to experience life differently, moving forward.

Mr. Speaker, the intensive residential [programme] was a six-day journey of intense self-reflection, challenging physical activity and exploration of what is possible for the future. During the six days, these young adults have endured early mornings and late nights, and long hours inside of the course room, examining who they have been in their lives, the results they have produced as a result of who they have been and what they are now making a commitment to in their lives as a result of their awakening.

The young adults placed themselves in a position of vulnerability that most adults would not. And this is a tremendous achievement, as they realise that if they wanted to do something different for their lives, they had to go beyond the level of thinking they had before participating in the programme.

Mr. Speaker, 11 of the participants in this Mirrors Cohort 10 are young black males. Many of the 16 participants have experimented with marijuana or alcohol, or have been in trouble with the law, or have been suspended at one time or another during their academic career.

Mr. Speaker, early in the course, the course leader recognised that this group gave him permission to work with them and explore the dysfunctions in their lives more so than in any other course he has led. The emotional baggage he was able to address as a result of this was profound—low self-worth, depression, anger, self-deprecating attitudes, self-harm and suicide attempts. Once these conversations were dispelled, the course leader could see that he truly was working with, and leading, the future of Bermuda—persons who have the potential to become doctors, athletes and artists, amongst other things. The course leader described the residential as the most powerful Mirrors residential delivered to date.

Mr. Speaker, during the next nine months, until August 2015, and with the support of an adult volunteer from the community, these young adults will

have the opportunity to action the goals that they said they wanted to accomplish during the residential.

They will meet with their committed partner on a weekly basis, setting weekly action steps intended to support them in accomplishing their goals by the end of the nine months. In addition, they will also meet as a group on a monthly basis, one Saturday per month, to allow them the opportunity for continued growth in their personal development.

Mr. Speaker, these young people have embarked on a journey with an organisation that has proven results. To date, the organisation has serviced over 720 young people in personal development through its community programme, *Coaching for Success* programme, offered at the middle school level, and its mentoring programme at the primary school level.

Since its inception in 2007, Mirrors has had considerable success, with 92 per cent of participants in the community programme being law-abiding citizens two years post programming, and 82 per cent of participants are in the process of receiving or have received their high school diploma or GED.

Mr. Speaker, the Mirrors Programme has proven that it is a worthwhile investment that Bermuda can be proud of. The Mirrors Programme is truly about the business of transforming the community of Bermuda one person at a time, a task which undoubtedly Bermuda is benefiting from now and will continue to benefit from in the future.

Thank you, Mr. Speaker.

The Speaker: Thank you. Thank you, Minister.

The Chair will now recognise the Honourable Minister of Tourism and Transport. The Honourable and Learned Member, Minister Shawn Crockwell.

You have the floor.

Hon. Shawn G. Crockwell: Thank you. Good morning, Mr. Speaker.

The Speaker: Good morning.

MINIBUS INDUSTRY—UPDATE

Hon. Shawn G. Crockwell: Mr. Speaker, in response to a Parliamentary Question in ¹June of this year about the number of minibus permits issued by the Transport Control Department, I informed this Honourable House that there were 66 active permits for minibuses traversing Bermuda's roads. At that time, I also advised that the Public Service Vehicles Licensing Board was in the process of a comprehensive review of the minibus industry with a view to making recommendations for a new legislative framework for the operation and regulation of minibuses.

Existing provisions under the Motor Car Act 1951 are limited to the application and approval processes, as well as statutory permit and licensing fees and vehicle sizes. This sector of the transportation industry is regulated through policy, whereas the taxi industry is regulated through a legislative framework. This has caused some angst and rivalry between the taxi and minibus operators. Taxi owners believe that they should get priority for business over minibus operators because of the value of their permits, as well as the fact that they are heavily regulated through provisions of law. The current statutory fee for a taxi permit is \$103,000, while a minibus permit is \$5,150.

Mr. Speaker, it is important to note that both modes of transportation cater to different client needs. An example is that, for general plying for hire, a taxi provides his passengers the convenience of direct point-to-point uninterrupted service, while a minibus offers a point-to-point shared ride, which generally takes a lot longer to get to the desired destination. Minibus passengers are subjected to stops along the route to collect additional passengers and/or drop off passengers already on the minibus.

The fee structure is considerably different, as well. Per passenger, the minibus fare is \$5.00 for the first parish, an additional \$2.00 for the second parish and \$1.00 for each parish thereafter. The statutory fare rate for a taxi ride is an initial charge of \$5.15, and \$0.55 for each subsequent one-fifth of a mile, or part thereof, as the meter advances. There are also fare structures for luggage fees, waiting fees, midnight to 6:00 am fees, and Sunday and public holiday fees. This does not apply to minibuses.

Recently, it was brought to my attention that some minibus operators are plying for hire in taxi stands, which is not permissible under their permit, and is unacceptable. This has further aggravated the situation between the two groups.

Mr. Speaker, I am pleased to report that the Public Service Vehicles Licensing Board will complete their review next month. Therefore, in the near future, I intend to bring forth much-needed legislation for the introduction of regulations for the minibus industry. This will not only create balance and fairness within the transportation sector, but it will provide statutory fares, terms and conditions for operating a minibus.

In the interim, all statutory provisions and policies will be enforced. Those who choose to flout the law, if caught, can expect to be ticketed, and repeated offenders could risk suspension or revocation of their permit. Thank you, Mr. Speaker.

The Speaker: All right. Thank you. Thank you, Minister Crockwell.

The Chair will now recognise the Honourable Minister of Health, [Seniors] and Environment. Minister Jeanne Atherden, you have the floor.

¹ 27 June 2014

NATIONAL OFFICE FOR SENIORS AND THE PHYSICALLY CHALLENGED—UPDATE

Hon. Jeanne J. Atherden: Mr. Speaker, while there has been some recent press coverage relating to the operations of the National Office for Seniors and the Physically Challenged within the Ministry of Health, Seniors and the Environment, I rise this morning to update this Honourable House and then the public on what steps have been taken to address the functionality of this office and improve its service.

The review of the National Office for Seniors and the Physically Challenged [NOSPC] by the management consulting section of the Cabinet Office started earlier this year, and it continues, with an initial draft of the findings to be submitted by the end of this year.

Mr. Speaker, while the review is being conducted, the positions held by the three most senior staff of the National Office for Seniors and the Physically Challenged have not been filled; rather, staff from other Government departments have been seconded to ensure the continuation and continuity of service operations, as well as preserve a future organisation flexibility.

Mr. Speaker, we need to ensure that the role, responsibilities and organisational structure of the Office are clearly defined and understood both by the staff, the Bermudians who use the services provided by the Office, and the public at large. Mr. Speaker, we have been fortunate to have Ms. Katherina Gibbons, a social worker from the Department of Child and Family Services, move into the role of coordinator for seniors. Ms. Karen McCottry, administrator from the Orange Valley Centre, has taken on the role of coordinator for disabled. And finally, Ms. Keeona Belboda, administrator from Opportunity Workshop, has been seconded to the role of acting Manager for the National Office for Seniors and Physically Challenged, and she now assumes the role of Registrar of Senior Abuse.

Combined, these ladies come with a wealth of knowledge and hands-on experience in dealing with our senior and disabled populations, and they are committed to meeting best-practice standards within the organisation.

Mr. Speaker, we are currently reviewing the Residential Care Homes and Nursing Homes Act [1999] and regulations, and have instituted regular monthly meetings with the administrators of residential care homes to encourage them to collaborate and share information. Additionally, we have implemented a process of monthly reporting of complaints to have an ongoing complaints register. Further, in terms of visits and inspections, changes have been made to the residential care facilities visiting process so they now occur three times per year, two scheduled and one unscheduled. This process will assist with ensur-

ing that all homes comply with the requirements and the legislation.

Mr. Speaker, while utilising the resources that are available to us within the Ministry, we have transferred a vehicle from the Orange Valley Centre to the National Office, and as of this week, it is now dedicated to the organisation to ensure we can better service the community and be readily available to access clients as needed. To further provide support, the Orange Valley Centre's social worker will be relocated to NOSPC three days a week to provide support to the case management team in order to assist with cases in a more timely and efficient manner.

Mr. Speaker, I have concerns about the current practice of NOSPC being responsible for the licensing and inspecting of care homes, and also being the recipient of complaints for those same homes. In my view, these roles should be separated, and I have asked staff how a separation can be accomplished.

Mr. Speaker, going forward, we at the Ministry will also be focusing on improving the quality of care being provided at residential care homes. We have to be concerned about both the physical environment of facilities, but at the same time, we need to ensure the quality of care is of the highest standards.

Our legislation speaks mostly to staffing levels, environmental conditions and the physical environment provided at homes, but the quality of care provisions are not sufficiently strong. We will be discussing with administrators the benefits to be gained by introducing care quality standards through legislation or by establishing a certification or accreditation programme for residential care homes in Bermuda. In this way, we can ensure that facilities that provide residential care for our most vulnerable populations are of the highest possible quality.

Mr. Speaker, I believe that improved communications is an essential part of the changes that we are making to the process, especially as it relates to the senior abuse complaint/investigative procedures. Persons who make complaints do so out of a concern for the individual, and we will ensure that, as part of our service, they will be advised when and why cases are closed or referred to another agency for action.

Mr. Speaker, we continue to receive input from stakeholders regarding how the service that the National Office for Seniors and the Physically Challenged provides, and how the patient quality of life can be improved. We welcome their input and believe that our actions demonstrate that we are either moving forward with proposed changes or are prepared to consider them.

Thank you, Mr. Speaker.

The Speaker: Thank you, Minister.

And I believe you have another Statement. So the Chair will recognise Minister Atherden again.

UNITED NATIONS INTERNATIONAL DAY OF PERSONS WITH DISABILITIES

Hon. Jeanne J. Atherden: Mr. Speaker, thank you for the opportunity to make Members of this Honourable House and the listening public aware that Wednesday, December the 3rd, 2014, is the United Nations International Day of Persons with Disabilities. The observance of this important day in Bermuda will be led by the National Office for Seniors and the Physically Challenged (NOSPC).

Mr. Speaker, by highlighting this day, the Ministry of Health, Seniors and the Environment and NOSPC aim to promote an understanding of disability issues, and to mobilise support for the dignity, rights and well-being of persons with disabilities. We also seek to increase awareness of the gains to be derived from the integration of persons with disabilities into every aspect of political, social, economic and cultural life.

The theme for this year will be “Sustainable Development: the Promise of Technology”, and will focus on the role of technology in:

- disaster risk reduction and emergency responses;
- creating enabling working environments; and
- disability-inclusive sustainability development goals.

Wednesday’s observance will provide opportunities for participation by all stakeholders, including Government departments, businesses and organisations of people with disabilities. NOSPC has arranged to have a display booth set up at the lower level of the Washington Mall, from 11:00 am to 2:00 pm on Wednesday. As well, staff from the Disabled Persons Office, the Department of E-Commerce will be there to provide cyber tips for seniors.

The Government departments will be supported by representatives of businesses and disability charities, including iClick, Medical House and the Society for the Blind. These organisations will, in keeping with the technology theme of the International Day of Persons with Disabilities, provide demonstrations on how technology can be used to enhance the lives of persons with a disability.

In addition, clients from the Opportunity Workshop will be on hand to offer their crafts for sale. The clients and staff at Opportunity Workshop have been working hard over the last several months to learn new skills and to produce holiday-themed crafts that can be sold to the public.

Mr. Speaker, when I visited Opportunity Workshop earlier this month, I was given a preview of some of the candles that were made by the clients, and I look forward to being able to purchase some next Wednesday. I encourage the public and Members of this Honourable House to lend their support to this important observance.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Minister.

REPORTS OF COMMITTEES

The Speaker: There are no reports of committees.

QUESTION PERIOD

The Speaker: We will move into the question period.

WRITTEN ANSWERS

The Speaker: The first questions on the Order Paper were written responses to Parliamentary Questions from Mr. W. H. Roban to the Premier, and the Honourable Member should have received those answers. Is that correct?

Mr. Walter H. Roban: Mr. Speaker, I have not received those answers in writing at this point.

The Speaker: Okay. Honourable Clerk, if you could.

1. *Will the Honourable Minister please advise this Honourable House whether a security assessment has been conducted on the Premier's residence?*
2. *Will the Honourable Minister please advise this Honourable House as to the total amount spent as at October 31, 2014 on security related equipment and services on the Premier's residence?*
3. *Will the Honourable Minister please advise this Honourable House who were the equipment and service contractors and list the total expenditure associated with each contractor?*

[Pause]

The Speaker: We now move to the . . . What we will do first, since the Honourable Minister of Finance has a Ministerial Statement which is very much connected to the questions that were posed by the Shadow Finance Minister, we will do the questions from C. W. Brown to the Junior Minister Richards first, then move to the questions to the Finance Minister. So if Members are okay with that.

Are there any objections to that?

All right, then. We would have now the Honourable Member C. W. Brown, the Honourable Member from constituency 17, and the Shadow Minister of Immigration and External Affairs. You have the floor.

Mr. Walton Brown: Thank you, Mr. Speaker, and good morning, colleagues.

The Speaker: Good morning.

QUESTION 1: BERMUDA STATUS APPLICATIONS

Mr. Walton Brown: My question for the Honourable Junior Minister, the first question is, How many applications for Bermuda status have been submitted to the Department of Immigration during the years 2011, 2012, 2013, and as of November 10th, 2014, under section 20B of the Bermuda Immigration and Protection Act 1956?

The Speaker: Honourable Junior Minister?

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

A total of 514 Bermuda status applications were submitted between 2011 and November 10th, 2014, under section 20B of the Bermuda Immigration and Protection Act 1956. The breakdown is as follows: In 2011, there were zero. In 2012, there were two. In 2013, there were two. And as of November 10th, 2014, there were 510.

The Speaker: All right. Thank you, thank you, Honourable Member.

Mr. Walton Brown: Do I do my supplementary now?

The Speaker: Yes, you do the supplementary now, yes.

SUPPLEMENTARY

Mr. Walton Brown: My first supplementary, Mr. Speaker, is, Would the Honourable Junior Minister accept that the increase in 2014 is a result of the Governor's interpretation that PRC holders were entitled to be naturalised?

The Speaker: Are you asking for an opinion, Honourable Member?

Carry on.

Mr. Sylvan D. Richards, Jr.: The answer is yes.

The Speaker: All right.

Yes, Honourable Member Brown.

Mr. Walton Brown: My second question, Mr. Speaker.

The Speaker: Question two, yes.

QUESTION 2: BERMUDA STATUS APPLICATIONS

Mr. Walton Brown: How many applications for Bermuda status have been granted during the years 2011, 2012, 2013, and as of November 10th, 2014, under section 20B of the Bermuda Immigration and Protection Act 1956?

The Speaker: Junior Minister?

Mr. Sylvan D. Richards, Jr.: Yes. A total of 15 Bermudian status certificates were granted between 2011 and November 10th, 2014, under section 20B of the Bermuda Immigration and Protection Act 1956. The breakdown is as follow: In 2011, there were zero. In 2012, there were zero. In 2013, there were zero. As of November 10th, 2014, there were 15.

Mr. Walton Brown: Supplementary?

The Speaker: Yes, carry on.

SUPPLEMENTARY

Mr. Walton Brown: Can the Honourable Junior Minister tell this House whether or not any process has begun to examine the extent and nature of any immigration reforms that might be necessary?

Mr. Sylvan D. Richards, Jr.: I am sorry, Mr. Speaker. Can he repeat the question?

The Speaker: Honourable Member?

Mr. Walton Brown: Is the Government examining immigration policy and law with a view toward any kind of reform and repositioning with regard to immigration policies?

The Speaker: Minister?

Mr. Sylvan D. Richards, Jr.: Yes.

Mr. Walton Brown: Mr. Speaker, would the Honourable Minister like to enlighten the House on the nature of that examination?

The Speaker: Nature? Minister?

Mr. Sylvan D. Richards, Jr.: I am not in a position to enlighten the House at this time, Mr. Speaker.

The Speaker: All right. Thank you.

QUESTION 3: WORK PERMIT APPLICATION CLOSED CATEGORIES

Mr. Walton Brown: Thank you, Mr. Speaker.

My third question. Which job categories, Honourable Junior Minister, are currently closed categories in terms of work permit applications?

Mr. Sylvan D. Richards, Jr.: Thank you. This information is found on the website. It is public information. The Work Permit Policies 2013, [section] 3, but I will read out the job categories that are currently closed, for the benefit of the Honourable Member:

- Airline Ground Agent;
- Floor Supervisor;
- General Labourer;
- Office Receptionist;
- Painter;
- Salesperson;
- Tourist Retail Salesperson;
- Taxi Driver;
- Wallpaper Technician;
- Grocery Packer;
- Cashier;
- Courier.

Mr. Walton Brown: Supplementary?

The Speaker: Thank you, Honourable Minister.
Yes, supplementary.

SUPPLEMENTARY

Mr. Walton Brown: And would the Honourable Junior Minister tell this Honourable House whether or not the closed category for bartenders has now effectively become an open category? Because it is not here in the protected category, as it once was.

The Speaker: Okay. Honourable Junior Minister? He is saying that bartenders are not here. Is that . . .

Mr. Sylvan D. Richards, Jr.: Bartenders are in the restricted category, Mr. Speaker. They are not in the closed category; they are restricted.

The Speaker: All right. Honourable Member, thank you.
Yes, Honourable Member?

Mr. Walton Brown: Is the Honourable Minister able to indicate what the distinction is between restricted and closed categories?

The Speaker: Minister?

Mr. Sylvan D. Richards, Jr.: I think that is a basic question that has a basic answer. Closed categories are closed, and restricted categories are restricted.

The Speaker: All right.

Mr. Walton Brown: Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Member.

[Pause]

The Speaker: We now move to the questions from Mr. E. D. Burt to the Honourable Minister. And I must say that what I will do now, with the agreement of the House, is that, since these questions are very closely connected to the Statement . . . In fact, they are connected to the Statement that the Honourable Minister made, so others Members who wish to ask questions will ask their questions at the same time so that we do not go back and forth and come back to this, if the House is okay with that.

So I will recognise first the Shadow Minister E. D. Burt.

Mr. E. David Burt: Good morning, Mr. Speaker.

Mr. Speaker, seeing that the question number one was answered in the Statement, I will just move on and ask question number two, if I may?

The Speaker: Yes.

QUESTION 1: UK ENTRUSTMENT LETTER— PROPOSED CONTRACT WITH CANADIAN COMMERCIAL CORPORATION

Mr. E. David Burt: And that is, Will the Honourable Minister please inform this Honourable House as to the process by which Canadian Commercial Corporation was sole sourced and the specific provisions which comply with Government's financial instructions?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, the answer is as follows: In an effort to ensure that much-needed infrastructure improvements do not overburden the taxpayer or jeopardise Government's debt position, it is incumbent on Government of Bermuda to explore alternative means of procuring and funding such needed capital expenditure.

The Ministry of Finance explored one such alternative, which involved contracting with the Canadian Commercial Corporation (or CCC) within the Government of Canada. The CCC alternative, while protecting the principles of transparency and value for money, will also allow the sourcing of competitively selected vendors through the internationally acclaimed and trusted resources of CCC, who, as a Canadian Crown corporation, has already vetted and approved the best contractors Canada can offer.

Our reliance on the Canadian Commercial Corporation's trusted procurement experience will:

- save Bermuda very large procurement costs;
- avoid wasted time and delays toward job creation;
- secure the performance guarantee of CCC;

- deliver significant inward foreign investment for Bermuda; and
- allow Bermuda to revitalise one of its most important business and tourism assets at minimal cost to Bermuda.

The value for money validation is achieved by the retaining of an independent international construction firm to perform this function instead of the traditional RFP method, a method widely used around the world.

After considering the significant benefits associated with this method of procurement, the Ministry of Finance consulted with the Accountant General, who is responsible for financial instructions. It must be noted that in situations where multiple quotes are not obtained or practicable, it is the standard practice to request a waiver of same from the Accountant General. Accordingly, the Minister of Finance, or the Ministry of Finance requested a waiver from the Accountant General to obtain three quotations from the project development services to be provided to Government by CCC.

The Accountant General has determined the applicability of procurement rules in financial instructions with regard to the proposed relationship between CCC and the Government and, after reviewing all relevant documentation and considering all circumstances, has given his permission to waive the requirement for three quotations for the project developmental services to be provided under the MOU with CCC, in accordance with the provisions of financial instructions.

Note that this waiver is restricted to the relationship between CCC and Government. It is premature to consider contracts that will be awarded for construction works under the project.

The Speaker: Thank you, Minister.

Yes, Honourable Member Burt, you have a supplementary?

SUPPLEMENTARY

Mr. E. David Burt: Thank you, Mr. Speaker.

I thank the Minister for his review of financial instructions. The question that was asked—and I was hoping that the Minister would clarify please . . . The question that was asked was as to the process by which Canadian Commercial Corporation was sole sourced. Did the Minister look them up on Google? Did he just happen to find them somewhere? How did the process come where he arrived at the sole source with Canadian Commercial Corporation?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, I know that the Honourable Member finds this hard to understand,

but I have been in the financial services business for 40 years.

The Speaker: Honourable Member, yes, he can understand. There is no need to—

Hon. E. T. (Bob) Richards: Okay. Because it is older than he is. All right? More than he has been in this world.

[Inaudible interjections]

The Speaker: Honourable Member. Honourable Member.

Honourable Members, the Speaker—

Hon. E. T. (Bob) Richards: It is a fact.

The Speaker: Honourable Member, let us just get to the answer to the question without the innuendo, please.

Hon. E. T. (Bob) Richards: It is not offensive. It is just a fact.

The Speaker: Without the innuendo. Without the innuendo, Honourable Member.

Hon. E. T. (Bob) Richards: I am old. So I admit it, right?

So, we have knowledge of the financial services business internationally, the Ministry and myself. And I am aware of this situation. I examined the situation. We examined a number of various situations, in the Ministry. And I became aware that the CCC model ticks all the boxes that are required for Bermuda. So it was a decision that was made by the review of the Ministry and the Minister.

The Speaker: All right. Thank you.

MP Burt, did you have . . .

Okay. You have a supplementary?

Mr. W. Lawrence Scott: Yes, I have a supplementary, Mr. Speaker.

The Speaker: Yes.

SUPPLEMENTARIES

Mr. W. Lawrence Scott: Mr. Speaker, the Honourable Minister says that CCC “ticks all the boxes.” Could he explain why the Department of International Development in the UK does not tick those same boxes?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: I cannot account for the UK. This is not the UK; this is Bermuda.

The Speaker: Thank you.

Mr. W. Lawrence Scott: Supplementary, Mr. Speaker.

The Speaker: Yes.

Mr. W. Lawrence Scott: Is the Honourable Minister aware that the Department of International Development awards funding and investment opportunities for airport or infrastructure programmes?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: The UK Department does not tick all the boxes for our project, Mr. Speaker. We looked at that.

The Speaker: All right. Thank you.

Mr. E. David Burt: Thank you, Mr. Speaker.

The Speaker: Yes, MP Burt. You have another supplementary?

Mr. E. David Burt: Yes, Mr. Speaker.

The Speaker: All right.

SUPPLEMENTARY

Mr. E. David Burt: At the very end of his [answer], the Minister said that (and I quote), "It is premature to consider contracts that will be awarded for construction works under the project." My supplementary, Mr. Speaker, is [in regard to] the Minister of Finance, in the news media and in statements has already indicated that the company that will build the airport is none other than Aecon, the same company that built the CN Tower.

How can the Minister come here to say that it is premature to consider construction contracts when the Minister has already stated who will build the airport?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, what this was referring to is the contractors on the ground here in Bermuda. That is what my Statement was referring to.

The Speaker: All right. Thank you. Thank you, Minister.

Opposition Leader Bean, you have a supplementary on this, yes?

Hon. Marc A. R. Bean: Good morning, Mr. Speaker.

The Speaker: Good morning.

SUPPLEMENTARY

Hon. Marc A. R. Bean: Mr. Speaker, in the Honourable Minister's response, in the second paragraph to the second question, he says that "The value for money validation is achieved by the retaining of an independent international construction firm to perform this function instead of the traditional RFP method, a method widely used around the world."

Mr. Speaker, I refer to the Letter of Entrustment that the Minister has just tabled for our review. On 4(b) and 4(c), it says, "The project for the redevelopment of the airport must meet value [tests] for money test in accordance with best practice set out in Her Majesty's Treasurer's Green Book." In 4(c), it says, "Compliance with the above conditions must be verified by an independent accounting firm," not a construction firm, Mr. Speaker, "of internationally reputable standing in advance of the conclusion of any agreement between the Government of Bermuda and CCC."

My supplementary question, Mr. Speaker, is, Based on what the Minister has said and what the UK Government has stated in the entrustment letter, is this a clear violation of the Letter of Entrustment by engaging in an international construction firm to ascertain value for money tests instead of an international accounting firm?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, I will refer the Honourable Member to the last paragraph of the Statement I made when I tabled the entrustment letter. And I will just read it again.

"I can advise Honourable Members that the Government is currently in discussions with the Governor on the terms and conditions specified in the entrustment letter."

The Speaker: Thank you.

Another supplementary?

Hon. Marc A. R. Bean: Yes, Mr. Speaker.

The Speaker: Yes?

SUPPLEMENTARY

Hon. Marc A. R. Bean: Mr. Speaker, if the Honourable Minister states that the Government is currently in discussions on the terms and conditions specified in the Letter of Entrustment, what are the concerns by the Honourable Minister and his Government in terms of the conditions within the Letter of Entrustment?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: We are still in discussions about these terms. We have not accepted them. But this is the normal course of conduct of business that, if there are conditions that are proposed, then we discuss them so that we can come to a mutually agreed set of conditions.

What we have here today is (if you like) the first iteration. And we are continuing to be in discussions with Her Majesty's Government on conditions that will work for us. But we have not got there yet.

The Speaker: All right. Thank you.

The Chair will recognise . . . You have a supplementary on this?

Hon. Michael J. Scott: Yes.

The Speaker: The Chair recognises the Honourable and Learned Member from Sandys North, MP Michael Scott. You have the floor.

SUPPLEMENTARIES

Hon. Michael J. Scott: Thank you, Mr. Speaker.

Mr. Speaker, a supplemental question to the Minister of Finance.

When did the Minister obtain the approval from the Accountant General? Was it before or after November the 10th, which was the date that you signed the MOU?

Hon. E. T. (Bob) Richards: Before.

Hon. Michael J. Scott: Thank you.

The Speaker: Another supplementary?

Hon. Michael J. Scott: Yes.

Is the Minister of Finance still saying that he is pursuing the contract, both the pursuit of the MOU and the contract, with the developer in the light of the evolved entrustments from 1968, 2005, 2009, which trigger or engage EU Treaty obligations to the United Kingdom, which indicate in these evolved entrustments to this Government from the United Kingdom Government, indicate that we cannot, as a Government of Bermuda, engage in contracts for civil aviation involving civil aviation? Can the Minister say that he is still pursuing these MOUs and the development contract?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, this is the building of a terminal building. It is not civil aviation. It is the building of a terminal building. Civil aviation that the Honourable Member is referring to, the contracts with airlines, routes and all that sort of stuff, this is not what this is. This is the building of a building.

The Speaker: All right. Thank you, Minister.

You have a supplementary, MP Blakeney?

Mr. Glenn A. Blakeney: Yes, sir.

The Speaker: All right. The Chair will now recognise the Member from constituency 13. MP Glenn Blakeney, you have the floor.

Mr. Glenn A. Blakeney: Thank you and good morning, Mr. Speaker.

The Speaker: Good morning.

SUPPLEMENTARIES

Mr. Glenn A. Blakeney: This is for, obviously, the Minister of Finance. Given his answer that the approval from the Accountant General was before November 10th, would the Minister agree that such approval had to be in writing, and would he share the letter of approval with this Honourable House?

The Speaker: The Honourable Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, I do not believe that is necessary. I stated here on the floor of the House, as an Honourable Member, that that letter has been received. I do not see any reason why I need to produce any internal document as proof.

The Speaker: All right. Thank you.
Honourable MP Blakeney?

Mr. Glenn A. Blakeney: Surely, the Minister would agree that the people of this country should be privy to such a critical piece of, or a critical agreement. And in line with the Government's commitment to transparency, why would he not want to share a letter of approval with this Honourable Chamber on behalf of the people of this country?

The Speaker: Thank you.
Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, when this matter, if this matter ever goes to the Public Accounts Committee, they can do what they want to do. All right? But I do not believe it is appropriate or proper to question my veracity on the floor of the House. When I say that something is done, it is done.

[Inaudible interjections]

The Speaker: All right. Thank you.

The Chair—you have already had your supplementaries, Honourable Member.

The Chair will recognise the Honourable Member from constituency 17. It is MP Walton Brown.

SUPPLEMENTARY

Mr. Walton Brown: Thank you, Mr. Speaker.

To request information on an issue as important as what we do with our airport (that is the preamble to the question), is the Minister saying that in his view Parliament, and, therefore, the people, are not entitled to have full transparency and disclosure on all of the critical elements of the redevelopment of our airport?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: It seems to me that was more of a speech than a question, Mr. Speaker.

The Speaker: Question.

Hon. E. T. (Bob) Richards: Not to worry. The only thing I can say, that under the PATI [Public Access to Information] legislation, people have access to all this stuff, and as they will from any other thing that is internal to Government.

[Inaudible interjection and laughter]

Hon. E. T. (Bob) Richards: Including Port Royal, yes.

The Speaker: All right. Thank you.
You have a supplementary?

Mr. Walter H. Roban: Supplementary.

The Speaker: The Chair will recognise the Honourable Member from Pembroke East, constituency 16, is it?

Mr. Walter H. Roban: Constituency 15, Mr. Speaker.

The Speaker: Constituency 15.
MP Roban, you have the floor.

SUPPLEMENTARY

Mr. Walter H. Roban: Mr. Speaker, this is a supplementary question for the Honourable Finance Minister.

In light of the Honourable Finance Minister's answer, would he not agree that that is sort of disingenuous, because the PATI framework is not even fully in place, and it is impossible for any citizen of this country to effectively access the documents that are of concern?

The Speaker: Question? Go ahead. What is your question? I am sorry.

Mr. Walter H. Roban: That is my question.

The Speaker: Okay. All right.

Mr. Walter H. Roban: Is it not disingenuous for the Honourable Finance Minister to refer to the PATI framework as a way to access information [concerning] these questions, if it is not even fully in place?

The Speaker: All right. Thanks.
Minister?

Hon. E. T. (Bob) Richards: It is amazing that I am being asked [to answer] a question of whether I am disingenuous myself. However, the only thing I could say to the Honourable Member is that this Government is the Government that is putting PATI into place. And they had, you know, 14 years to do that—and they did not.

The Speaker: All right. Thank you, Honourable Member.

You have a supplementary, Honourable Member?

Ms. Lovitta F. Foggo: Supplementary, Mr. Speaker.

The Speaker: Yes.

SUPPLEMENTARY

Ms. Lovitta F. Foggo: Given the remarks from the Honourable Minister regarding putting this information in, making it publicly accessible, I have to ask, Why not now, before this House, share that information? One would think that that would be the way to go. After all, Parliament is here to hold Cabinet to account.

The Speaker: All right.
Minister?

Hon. E. T. (Bob) Richards: I do not believe there is any precedent for this, Mr. Speaker. There is no precedent for this.

The Speaker: All right. Thank you.
Yes, you have another supplementary?

SUPPLEMENTARY

Mr. Walter H. Roban: Yes, I have a supplementary.

Mr. Speaker, could the Finance Minister not at least make a commitment to allow disclosure of these documents of perhaps the most important development of this country's history, [which was] the same standards that were adhered to with the hospital development and that process, to have the same level of disclosure, and that he will have that with the airport?

The Speaker: All right.

Mr. Walter H. Roban: Can he not at least make that commitment, Mr. Speaker?

The Speaker: Okay. All right. Thank you.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: I am not sure what that level of disclosure was. But whatever it was, you know, we will do that. No problem.

The Speaker: All right. Thank you very much. Right. MP Brown? You have a supplementary?

Mr. Walton Brown: Yes, Mr. Speaker.

The Speaker: All right.

Mr. Walton Brown: It is a very simple question, Mr. Speaker.

The Speaker: Yes. Go ahead. Ask it.

SUPPLEMENTARY

Mr. Walton Brown: Why will the Minister not table the appropriate information? Just very simple and straightforward.

The Speaker: All right. This will be the last question on that, because I think we have exhausted it. We have exhausted it.
Go ahead.

Mr. Walton Brown: We just want to know why the Minister would not table it.

The Speaker: All right. All right. Minister?

Hon. E. T. (Bob) Richards: That is a repeat of a former question.

The Speaker: All right.

[Inaudible interjections]

The Speaker: No, no, no. You have had your two. No, no, no. You have had two, Honourable Member. You have had two. I have been paying attention. You have had two. Thank you.

All right. Are there any other questions referring to this . . .

[Inaudible interjections]

The Speaker: No, no, no, no! Questions.

You have a question? Yes, on the Statement, yes, which is connected, as I said.

Okay. The Chair will recognise the Leader of the Opposition. MP Marc Bean, you have the floor.

QUESTION 1: UK ENTRUSTMENT LETTER— PROPOSED CONTRACT WITH CANADIAN COM- MERCIAL CORPORATION

Hon. Marc A. R. Bean: Thank you, Mr. Speaker. Would the Honourable Minister confirm that his Government signed off with CCC without accepting the terms of the Letter of Entrustment?

The Speaker: Yes. Minister?

Hon. E. T. (Bob) Richards: The terms of the Letter of Entrustment are still under negotiation. The MOU—

Hon. Marc A. R. Bean: But that is not my question.

[Inaudible interjections]

The Speaker: Honourable Members! Please.

Hon. E. T. (Bob) Richards: Mr. Speaker, they do not want to hear the answers to these questions. They just want to ask the questions.

The Speaker: Yes. Go ahead.

Hon. E. T. (Bob) Richards: The MOU is a nonbinding document. And, in any case, as I have said here many times, as well as in the written Statement, the Government has an opinion, a legal opinion, that a further Letter of Entrustment is not required anyway.

So, this is an exercise of belts and braces, merely belts and braces. We have an opinion that we do not need a further Letter of Entrustment.

The Speaker: All right. Thank you.

The Chair will recognise . . . You have a supplementary?

Mr. Walton Brown: A supplementary.

The Speaker: Yes, MP Brown?

SUPPLEMENTARY

Mr. Walton Brown: Mr. Speaker, the Letter of Entrustment, in its entirety, is an egregious document.

[Inaudible interjection]

Mr. Walton Brown: The Letter of Entrustment.

The Speaker: Go ahead.

Mr. Walton Brown: Both letters of entrustment, yes. And in the Government's efforts to revise certain elements of this document, can the Minister give a commitment that in section 6 of that document the issue of whether or not any agreement with any company that is in conflict with UK policy from that letter will be eliminated?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Well, Mr. Speaker, you know, I do not want to prejudice our discussions with Her Majesty's Government on this document. Okay? I have reported what I can—

The Speaker: So just answer appropriately, as you think.

Hon. E. T. (Bob) Richards: I have reported what I can. And I sympathise and empathise with what the Honourable Member just said. But we will not be committing ourselves to something that will be harmful to the interests of Bermuda.

The Speaker: All right. Thank you.

Yes, the Chair will recognise the Leader of the Opposition. MP Marc Bean, you have a supplementary?

Hon. Marc A. R. Bean: Thank you, a supplementary, a supplementary.

The Speaker: Yes.

SUPPLEMENTARY

Hon. Marc A. R. Bean: Mr. Speaker, what, then, are the terms and conditions of this seven-point Letter of Entrustment that the Minister deems to have the potential impact of severe harm to Bermuda and its economy?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Again, Mr. Speaker, I am not prepared to speak on that level of granularity at this point, because we are in discussions and I do not want to prejudice those discussions.

The Speaker: All right. Thank you.

The Chair will recognise . . . Do you have a supplementary? Yes?

SUPPLEMENTARY

Hon. Michael J. Scott: Mr. Speaker, to the Minister, is the Minister really indicating to the House of Assembly of Bermuda that a basic disclosure of the very grounds that you say amount to harmful, harmful,

harmful actions to our economic interests are matters that he cannot reveal to the people of Bermuda and the House?

[Inaudible interjections]

The Speaker: Minister?

Hon. E. T. (Bob) Richards: I am just going to repeat, I am not going to—

The Speaker: Honourable Members, if you let the Minister answer the question, the Minister is very capable. Let him answer the question.

Hon. E. T. (Bob) Richards: I will assure the Member that we will not agree to anything that is harmful to the interests of Bermuda. I do not know how I can be any more clear than that.

The Speaker: Thank you. Thank you.

The Chair will recognise the Honourable Member from constituency 34, the learned Member, MP Kim Wilson.

Ms. Kim N. Wilson: Thank you, Mr. Speaker, a supplementary.

The Speaker: Yes.

SUPPLEMENTARY

Ms. Kim N. Wilson: Would the Minister agree, or indicate whether one of the concerns that his Government is concerned about with respect to this entrustment agreement is the requirement by the UK Government, as per their Green Book, that on projects of this nature three quotes must be obtained?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Well, the . . . Can you repeat that question, please, Honourable Member? I am sorry.

The Speaker: Would you, please, MP Wilson?

Ms. Kim N. Wilson: Certainly. Yes, certainly.

Given the concerns that the Minister has alluded to with respect to this entrustment agreement, if the Minister could please indicate to this Honourable House whether or not one of those concerns relates to paragraph 4(b), which is a requirement under this entrustment letter by the UK Government for best practice and value for money, that Her Majesty's Treasury Green Book be complied with, which requires projects of this nature to have at least three tenders.

The Speaker: Minister?

Hon. E. T. (Bob) Richards: It is an interesting question.

[Inaudible interjection]

The Speaker: Honourable Member, if you would allow the Minister who [is on his] feet to answer, that would be appreciated.

Hon. E. T. (Bob) Richards: It is an interesting point the Honourable Member brought up, because in spite of the fact that mention of the Green Book is in the entrustment letter, the UK Government does not have to comply with their own Green Book.

The Speaker: All right. Thank you. Thank you, Minister. All right.

Any other questions?

Yes, your second question from the Leader of the Opposition. Carry right on, sir.

QUESTION 2: UK ENTRUSTMENT LETTER— PROPOSED CONTRACT WITH CANADIAN COMMERCIAL CORPORATION

Hon. Marc A. R. Bean: Mr. Speaker, in spite of a lack of transparency surrounding Question Period, is the Honourable Minister telling this Honourable Chamber and the people of Bermuda that unless the Government and Government House, or the FCO, agree on the terms and conditions that are now in dispute, the entire airport redevelopment project is at risk of never even starting?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Thank you for that question, Honourable Member.

The answer is no.

The Speaker: Thank you.

Any other questions?

Yes, the Honourable and Learned Member from Sandys [North], do you have a supplementary to that?

SUPPLEMENTARY

Hon. Michael J. Scott: Supplementary to the Opposition Leader's question.

Does the Minister of Finance accept that an inability of the Government of Bermuda to comply with the substantive terms of the Letter of Entrustment of 2009 will effectively put this entire contract at risk?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: No.

The Speaker: Thank you.

Yes, you have a second one, yes?

SUPPLEMENTARIES

Hon. Marc A. R. Bean: Mr. Speaker, if the terms and conditions cannot be agreed upon for the Letter of Entrustment, the Honourable Minister said that it would not delay or stop the airport redevelopment. Would the Honourable Minister then inform this Honourable Chamber of his contingency plan if an agreement of the Letter of Entrustment is not forged?

The Speaker: Thank you.

Minister?

Hon. E. T. (Bob) Richards: It is disappointing when you say things and people do not listen.

I have already said twice this morning, and also often in other places, that we have a legal opinion that says that we do not need a further Letter of Entrustment. Yes, I have said that many times, and I hope the Honourable Member takes note this time.

The Speaker: All right. Thank you. Thank you.

Yes, MP Bean, you have a second supplementary?

Hon. Marc A. R. Bean: Supplementary, Mr. Speaker.

The Speaker: Yes.

Hon. Marc A. R. Bean: Since the Government sought a legal opinion, would the Minister care to tell us when did the Government seek such legal advice? Was this before or after discussions with CCC commenced?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: It was after the discussions with CCC commenced.

The Speaker: All right. Thank you, Minister.

Do you have a supplementary?

Hon. Michael J. Scott: On the legal advice.

The Speaker: Yes?

SUPPLEMENTARY

Hon. Michael J. Scott: Mr. Speaker, does the Minister of Finance seriously expect to rest his entire case, a proceeding, on one legal opinion? Does he?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: I am not sure how many legal opinions the Honourable Member would like me

to get. But I can say that the legal opinion we have has been well researched. What we are trying to do here is continue discussions with Her Majesty's Government so that we can find a way forward to work.

But we have already made a decision that it is not necessary to have this Letter of Entrustment. We would like to have all parties on board. But it is not necessary. And so, I just hope the Honourable Members on the other side kind of understand that.

The Speaker: All right. Thank you so much. Thank you so much.

The Chair will recognise the Honourable Member from Southampton [East]. Southampton MP Zane De Silva, you have a supplementary?

Hon. Zane J. S. De Silva: Supplementary.

The Speaker: Yes.

SUPPLEMENTARY

Hon. Zane J. S. De Silva: Thank you, Mr. Speaker.

Mr. Speaker, the last time a Premier or Deputy Premier of the OBA received a legal opinion, we got Jetgate.

The Speaker: Honourable Member, the question!

Hon. Zane J. S. De Silva: My question to the Minister, Mr. Speaker, my question to the Minister is, Who gave him that legal opinion?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: We have a legal opinion from the international firm Bennett Jones [LLP].

The Speaker: Thank you.
Are there any other questions?

Mr. W. Lawrence Scott: I have a supplementary, Mr. Speaker.

The Speaker: You have a supplementary? Yes. The Chair recognises MP Scott.

SUPPLEMENTARY

Mr. W. Lawrence Scott: Thank you, Mr. Speaker.

Would the Honourable Minister explain why he and the Government sought legal advice if an entrustment was required?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: The Honourable Member is a master of questions based on false premises . . . That is a question based on a false premise.

The Speaker: Thank you.

Yes, MP Michael Scott, you have a supplementary? No, you have already had two.

Hon. Michael J. Scott: Have I?

The Speaker: Yes, you have. Yes, yes.

The Chair recognises MP De Silva. You have a supplementary?

Hon. Zane J. S. De Silva: Yes, I do, Mr. Speaker.

The Speaker: Okay. It is your second one.

SUPPLEMENTARY

Hon. Zane J. S. De Silva: Mr. Speaker, I would like to ask the Honourable Minister why he did not seek the legal opinion of his current Attorney General, or his past [Attorney General], for that matter?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Good question by the Honourable Member. The answer is that the legal opinion we obtained was obtained with the Attorney General's Office being involved.

The Speaker: All right. Thank you. Thank you very much.

Any other questions? Yes, MP Wilson, you have a question or a supplementary?

Ms. Kim N. Wilson: It is a supplementary.

The Speaker: A supplementary? One moment . . . Yes, you do have one.

SUPPLEMENTARY

Ms. Kim N. Wilson: Thank you. Thank you.

If the Honourable Minister would clarify for me . . . the legal opinion that he is referring to, since he has indicated that the Government does not require a *further* entrustment . . . and the word "further" keeps filtering into these answers. Is that an admission that this particular document that we are seeing is not even on the table? When you say *further*, are you referring to the fact . . . In your answers you have constantly . . . In the answers (I am sorry, Mr. Speaker) the Minister has constantly referred to the word *further* entrustment.

So if he could perhaps indicate, what are we speaking of? If we have a legal opinion that says there is no need for a *further entrustment agreement*, what are we talking about? What are we referring to? This one or another one? I am just trying to have some clarity with respect to that.

The Speaker: All right. Thank you. Thank you, MP Wilson.
Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, I know Honourable Members know this. But the public needs to know that Bermuda operates with a number of letters of entrustment from the UK Government. They have built up over the years. We have a general Letter of Entrustment to do business with other countries.

When I say *further*, what I mean is that we do not need *another* Letter of Entrustment in addition to the general letters of entrustment we have obtained over the last 35 years.

The Speaker: All right. Thank you, thank you.
Yes, MP Wilson, I think you have had two supplementaries already.
The Chair will recognise . . . You have a supplementary?

Hon. Wayne L. Furbert: Yes.

The Speaker: All right. Carry on, MP Wayne Furbert from constituency 6. You have the floor.

SUPPLEMENTARY

Hon. Wayne L. Furbert: Thank you, Mr. Speaker.
Can the Minister tell us, was it the Bermuda Government's idea to request entrustment, or was it the Canadian government's idea to request it?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: No, it was Bermuda.

The Speaker: Thank you.
All right. You have a question? Yes, okay. So we move now to the Honourable and Learned Member from constituency 34, Sandys South Central. You have a question, your first question.

QUESTION 1: UK ENTRUSTMENT LETTER— PROPOSED CONTRACT WITH CANADIAN COM- MERCIAL CORPORATION

Ms. Kim N. Wilson: Thank you.
Would the Honourable Minister indicate to this Honourable House and the country that the entrustment agreement that he is referring to as the one in which he received legal advice from Bennett Jones indicated that there was no need for a separate entrustment agreement concerning the effective establishing or privatising of the airport for 30 years? Is the said entrustment agreement signed by Sir Richard Gozney in July of 2005?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, I do not want to stray out of my lane here as a non-lawyer. All right? But I believe that the legal opinion that we have states that the nature of this transaction does not stray into external affairs. The entrustment letters that we have [deal] with external affairs. And the legal opinion that we have obtained says that CCC is not the Government of Canada it is a Crown corporation. Just like the Bermuda Hospitals Board is not the Government of Bermuda.

If the Bermuda Hospitals Board were the Government of Bermuda, then the Government would not have had to guarantee payments. So, CCC as a Crown corporation is not the Government of Canada. It is not covered under external affairs. It is a commercial transaction that has to do . . . that is encompassing commercial law, as opposed to law dealing with treaties and international law in that respect.

The Speaker: All right. Thank you. Thank you, Minister.

The Chair recognises the learned Member from Sandys North, and it is MP Michael Scott. You have a supplementary, do you, on that?

Hon. Michael J. Scott: Yes, Mr. Speaker.

The Speaker: Yes?

SUPPLEMENTARY

Hon. Michael J. Scott: Mr. Speaker, does the Minister of Finance not recognise and acknowledge that the central objective is compliance with the financial arrangements, so that contingent liabilities . . . Does the Minister of Finance not accept and agree that the central factor is this Government's compliance with financial obligations, so that contingent liabilities to the UK are not triggered or that we are not exposed to financial arrangements that are not good? And, therefore, will he not agree that nuances about who the agreement is with have no bearing on these arrangements, the focus being financial, surely?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, my answer to that question is, last year the Government of Bermuda borrowed \$750 million without any reference to the UK or anybody. We have the power to carry out business in this country under our Constitution. And that is what we are seeing here. This is a transaction covered by our powers and privileges under the Bermuda Constitution.

The Speaker: All right. Thank you, Minister.
The Chair will recognise the Honourable Member . . . Now, we had about three different people standing up. But now I will recognise the learned

Member from Sandys North. MP Scott, do you have another supplementary?

Hon. Michael J. Scott: A question.

The Speaker: Or question, right. Now it is your question.

Hon. Michael J. Scott: Mr. Speaker, thank you.

The Speaker: Yes.

**QUESTION 1: UK ENTRUSTMENT LETTER—
PROPOSED CONTRACT WITH CANADIAN COM-
MERCIAL CORPORATION**

Hon. Michael J. Scott: To the Minister of Finance, Mr. Speaker, will the Minister of Finance acknowledge that he has said that we sought a Letter of Entrustment from the FCO, and then subsequently said that the Government of Bermuda does not need a Letter of Entrustment? Will the Minister of Finance kindly inform this House how he squares those two inconsistencies?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: I have already answered that question, Mr. Speaker.

The Speaker: All right.

Hon. E. T. (Bob) Richards: And the answer was that this is belts and braces. All right? We have a long-term relationship with the UK Government. And we want to keep that relationship. So we want everybody to be on board here.

Just because you ask somebody for something, it does not mean that you are *required* to ask them. And I know that the Honourable Member knows the difference between that.

The Speaker: Okay. Thank you. Thank you, Minister.

The Chair will recognise the Honourable Member from constituency 6, MP Wayne Furbert, Hamilton West. You have a supplementary, do you? Or a question?

Hon. Wayne L. Furbert: Supplemental.

The Speaker: You have a supplementary. Yes?

SUPPLEMENTARY

Hon. Wayne L. Furbert: Mr. Speaker, can the Minister of Finance confirm that the law firm that he sought a legal opinion from set up a law firm here in Bermuda recently?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Yes. They have a Bermuda branch.

The Speaker: You have a supplementary, MP Weeks? The Chair now recognises MP Michael Weeks.

SUPPLEMENTARY

Mr. Michael A. Weeks: Thank you, Mr. Speaker. I have a question for the Honourable Finance Minister.

The Speaker: You have a question or a supplementary?

Mr. Michael A. Weeks: I have a supplementary; I am sorry.

Is CCC paying this law firm or is the Bermuda Government paying the law firm?

Hon. E. T. (Bob) Richards: Unfortunately, the Bermuda Government is paying for these guys.

The Speaker: All right. Thank you.

Ms. Kim N. Wilson: Supplemental.

The Speaker: Yes. I have the Honourable and Learned Member from constituency 34, who has a supplementary. MP Kim Wilson.

SUPPLEMENTARY

Ms. Kim N. Wilson: Yes, thank you.

With respect to the law firm of Bennett Jones, the principals of Bennett and Jones, legal representatives, are agents for CCC.

Hon. E. T. (Bob) Richards: I do not know.

The Speaker: He said he did not know. I think that is what you said, did you not, Minister? Yes.

Did you say you did not know?

Yes, he said he did not know.

Mr. E. David Burt: Supplemental, Mr. Speaker?

The Speaker: Yes, MP Burt?

SUPPLEMENTARY

Mr. E. David Burt: I just want to confirm that the Minister of Finance did say that he is unaware if Bennett Jones is doing any work on behalf of the Canadian Commercial Corporation.

[Inaudible interjections]

The Speaker: Honourable Members . . . if Honourable Members would allow Members . . . The Minister is answering. Members on the other side are asking questions. We are doing very well.

Hon. E. T. (Bob) Richards: Mr. Speaker.

The Speaker: Yes.

Hon. E. T. (Bob) Richards: And I know that the attorneys in this Honourable Chamber will confirm this. If a firm is being asked to be taken on by a client, and they have a relationship that conflicts with that, they say so right off the bat. So, the fact that we have retained Bennett Jones and they have done work for us speaks to the fact that there is no conflict of interest. I mean, that is the standard practice in law firms around the world. So I do not know what the suggestion is by the Honourable Member. But, you know, these guys operate on these rules internationally.

The Speaker: All right. Thank you.

Mr. E. David Burt: Supplementary, Mr. Speaker.

The Speaker: MP Burt, your second supplementary.

Mr. E. David Burt: Supplementary.

The Speaker: Yes.

SUPPLEMENTARY

Mr. E. David Burt: If it came to the Minister's attention that CCC or that Bennett Jones was doing work for the Canadian Commercial Corporation, would it concern him in regard to the opinion that they have received from a Canadian law firm that is seeking and enabling business being done in Bermuda?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Again, I do not know what the implication to that question is.

The Speaker: Right.

Hon. E. T. (Bob) Richards: But I am sure of one thing: Large law firms do business around the world. And certainly, the lawyers that we are using have experience with CCC. They have experience with them, yes.

And they have experience in Canada. And seeing that we are dealing with a Canadian entity here, it seemed to make common sense to deal with somebody who knows the lay of the land.

The Speaker: Thank you. Thank you, Minister.
Right. The Chair now will recognise MP Burt.
You have a question?

Mr. E. David Burt: Yes, Mr. Speaker. I am moving on to my question on the Statement.

The Speaker: Yes. Right.

QUESTION 1: UK ENTRUSTMENT LETTER— PROPOSED CONTRACT WITH CANADIAN COMMERCIAL CORPORATION

Mr. E. David Burt: Mr. Speaker, the Honourable Minister of Finance indicates, and seems to indicate, that this is a draft Letter of Entrustment. Can the Minister of Finance please state, was December 10th the first time that they had any letters of . . . or November 10th (sorry) was the first time that they had any Letter of Entrustment produced, any draft or otherwise produced, by the UK Government in this matter?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Yes.

Mr. E. David Burt: Supplementary, Mr. Speaker.

The Speaker: Supplementary, yes.

SUPPLEMENTARIES

Mr. E. David Burt: Mr. Speaker, can the Minister confirm that the Letter of Entrustment was received prior to the signing of the Memorandum of Understanding?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Yes.

The Speaker: Yes?

Mr. E. David Burt: Second supplementary, Mr. Speaker?

The Speaker: Yes?

Mr. E. David Burt: Mr. Speaker, can the Honourable Minister of Finance confirm that the Letter of Entrustment was received prior to Cabinet approving the Government to engage in a Memorandum of Understanding with the Canadian Commercial Corporation?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: No.

The Speaker: Thank you.
Yes?

Mr. E. David Burt: Mr. Speaker, I will move on to my second question.

The Speaker: Second question, yes.

**QUESTION 2: UK ENTRUSTMENT LETTER—
PROPOSED CONTRACT WITH CANADIAN COM-
MERCIAL CORPORATION**

Mr. E. David Burt: My second question is important, because yesterday the Minister . . . Last week, the Minister of Finance indicated that Cabinet *approved* the signing of the Memorandum of Understanding *prior to* that decision being executed. Now, if the Memorandum of Understanding . . . If the entrustment letter was received on December [sic] 10th, how does he square those—

The Speaker: November, November.

Mr. E. David Burt: November 10th. Was he telling the truth now, or was he telling the truth then?

The Speaker: All right. The question—just ask the question. Ask the question—not whether anyone is telling the truth.

Hon. E. T. (Bob) Richards: There is no contradiction in that, Mr. Speaker.

The Speaker: Fine. Okay.

Hon. E. T. (Bob) Richards: Here is . . .

The Speaker: Carry on.

Hon. E. T. (Bob) Richards: The sequence of events is as follows: There was a Cabinet conclusion to approve the signing of the MOU in July. We had a legal opinion that said that we do not need a Letter of Entrustment. And on that basis, we scheduled the signing and the announcement of the signing of the MOU.

I *repeat* for clarity that it is the view of the Government that the Letter of Entrustment is not required. So all the emphasis on this Letter of Entrustment and when it was signed and when it was issued is not relevant.

The Speaker: All right. Thank you Thank you, Minister.

The Chair will recognise the learned Member from Sandys North, MP Michael Scott.

Hon. Michael J. Scott: Thank you. Mr. Speaker, will the Minister—

The Speaker: You have a supplementary, do you?

Hon. Michael J. Scott: Yes, on these timelines.

The Speaker: Yes.

SUPPLEMENTARY

Hon. Michael J. Scott: Mr. Speaker, will the Minister of Finance kindly confirm whether the approval from the Accountant General was received before the Cabinet approval?

Hon. E. T. (Bob) Richards: Yes, I think so. I do not remember the exact dates, but I do think so, yes.

The Speaker: Thank you.
MP Burt?

Mr. E. David Burt: Supplementary, Mr. Speaker.

The Speaker: Yes?

SUPPLEMENTARY

Mr. E. David Burt: Seeing that the Honourable Minister says he cannot remember whether or not the Accountant General approved the sole sourcing of this before Cabinet did, will the Honourable Minister now go back and pledge to share with this Honourable House the directive that he received or the approval that he received from the Accountant General for the approval of this project? Because the timeline is very important.

The Speaker: Minister?

Hon. E. T. (Bob) Richards: I think I have already answered that question.

The Speaker: Thank you.

Mr. E. David Burt: Third question, Mr. Speaker.

The Speaker: Yes.

**QUESTION 3: UK ENTRUSTMENT LETTER—
PROPOSED CONTRACT WITH CANADIAN COM-
MERCIAL CORPORATION**

Mr. E. David Burt: Mr. Speaker, I am trying just to clarify this timeline once again. And there is something that keeps going back and forth.

The Minister said that the Government of Bermuda requested an entrustment. After the Minister said the Government of Bermuda requested an entrustment, then the Minister said that entrustment was not needed.

Why did the Government request a separate Letter of Entrustment if the Government believed that a Letter of Entrustment was not needed?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: Mr. Speaker, that is about the fourth time they have asked that same question. I am not answering it again.

The Speaker: All right.
Yes, Honourable Member?

Mr. E. David Burt: Supplementary, Mr. Speaker?

The Speaker: Yes.

SUPPLEMETARIES

Mr. E. David Burt: Would the Honourable Minister of Finance please inform this House, when did he ask for the legal opinion? Give us a date. And if he cannot give us a date, if he can defer under Standing Order to the Attorney General, when did he ask for the legal opinion from the law firm of Bennett and Jones?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: I do not remember the date. Certainly it was within the last three months. But I do not remember the date.

The Speaker: All right. Thank you.
Yes, MP Burt? You have a second supplementary?

Mr. E. David Burt: Yes, Mr. Speaker.

I will ask my second supplementary, because there seems to be very big inconsistency with the Government. And I will read . . . Mr. Speaker, I am quoting from the Honourable Premier on November 11th when asked if he received approval from Government House.

The Premier responded, and I quote, “We were in discussions”—*were* in discussions—“in regard to that. It is our opinion that we didn’t need approval for Government House to do it. But we did discuss with Government House in regard to that, and Government House has agreed with us as we move forward.”

Mr. Speaker, how can the Honourable Minister of Finance come here and bring a Ministerial Statement saying that the Government is in negotiations over a Letter of Entrustment, when the Honourable Premier told the country on November 11th that there is no disagreement between the Government House and the Government?

Some Hon. Members: Whoa!

The Speaker: Minister?

Hon. E. T. (Bob) Richards: We are in discussions, Mr. Speaker. We have got a Letter of Entrustment. And we are still discussing the terms.

The Speaker: Thank you. Thank you, Minister.
Yes, you have another question?

Ms. Kim N. Wilson: Yes, I do.

The Speaker: Okay. The learned Member Wilson has a question. This will be your second question.

Ms. Kim N. Wilson: Thank you, Mr. Speaker.

The Speaker: Yes.

QUESTION 2: UK ENTRUSTMENT LETTER— PROPOSED CONTRACT WITH CANADIAN COM- MERCIAL CORPORATION

Ms. Kim N. Wilson: Would the Minister [inform us] whether he had knowledge of the fact that CCC undertook an enhanced managerial review of SNC Lavalin following the revelations that SNC Lavalin was charged with regulatory and criminal matters?

Some Hon. Members: Whoa!

The Speaker: Minister?

Hon. E. T. (Bob) Richards: I do not know about that. It has nothing to do with Bermuda.

The Speaker: Thank you.

Ms. Kim N. Wilson: And would the Minister agree that the law firm that represented—

The Speaker: This is a supplementary, correct?

SUPPLEMETARY

Ms. Kim N. Wilson: Yes.

Would the Minister agree that the law firm that represented CCC with respect to this managerial review of Lavalin was, in fact, Bennett Jones?

Hon. E. T. (Bob) Richards: I do not know.

An Hon. Member: Ooh!

[Inaudible interjections]

The Speaker: Thank you. Thank you.
Are there any other questions?
The Chair will recognise the Leader of the Opposition. And so this will be actually your final—

Hon. Marc A. R. Bean: Final supplementary.

The Speaker: You have a supplementary on this, yes. Go ahead.

SUPPLEMENTARY

Hon. Marc A. R. Bean: Yes.

Mr. Speaker, will the Minister at this point agree with us on our side that there is a fundamental conflict of interest with the legal counsel, CCC and the Government of Bermuda in regard to this matter?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: No. They have not recused themselves, and the rules that govern lawyers are that, if they feel there is a conflict, they recuse themselves.

The Speaker: All right. Thank you very much.

[Inaudible interjections]

Mr. E. David Burt: Supplementary, Mr. Speaker?

The Speaker: Yes?

Mr. E. David Burt: Supplementary, Mr. Speaker.

The Speaker: Yes. Carry on.

SUPPLEMENTARY

Mr. E. David Burt: This country has just heard that the law firm that provided an opinion, which is contrary to Government House, has been working with the Canadian Commercial Corporation, which was just set up in this country a while ago, which would seem that they are helping to do this.

Now, the Minister has said that he does not see a conflict of interest in a Canadian corporation, which is a law firm which has provided a Letter of Entrustment—which has provided an opinion seeking to do business in Bermuda—

The Speaker: Question?

Mr. E. David Burt: And he says that there is no conflict of interest?

I just want him to say, once again to the people of Bermuda, that he is confident that the opinion that he has received is pure and there is no conflict of interest in that.

The Speaker: Minister.

Hon. E. T. (Bob) Richards: I think that is a long repeat of a former question.

The Speaker: All right. Thank you. All right. Thank you.

Thank you, Honourable Members.

The G8 questions. I will recognise the Leader of the Opposition, who has questions with reference to the G8.

QUESTION 1: G8 BENEFICIAL OWNERSHIP PLAN UPDATE

Hon. Marc A. R. Bean: Mr. Speaker, notwithstanding the last group of questions, I would like to give a preamble to the Minister of Finance in regard to this Statement, and that is to say that we on this side are in full support of the Minister's position in regard to the G8 and the G7.

Mr. Speaker, I have a question. Does the Minister consider the United Kingdom Government's recommendations and even the G7's recommendations as a high risk to our economy?

The Speaker: Minister?

Hon. E. T. (Bob) Richards: No. We are fully compliant with the G7 FATF [Financial Action Task Force] and G20 standards. We are already there. We are already fully compliant. The initiative by the UK Government to form a *public* registry of beneficial ownership, we believe, will endanger our economy not because we have anything to hide, Mr. Speaker, but if we go out and do this and our competitors do not, then it will be a clear and present danger to the economy of Bermuda. And we are not going to let that happen.

The Speaker: All right. Thank you, Honourable Member.

Yes, you have another question?

Hon. Marc A. R. Bean: Thank you, Mr. Speaker. I appreciate the response.

This is my second question, Mr. Speaker.

The Speaker: All right. Sorry, Honourable Member. But that is time.

[Gavel]

[Pause]

The Speaker: Thank you, Honourable Members. That completes the Question Period.

CONGRATULATORY AND/OR OBITUARY SPEECHES

The Speaker: We now move to Congratulatory and/or Obituary Speeches.

The Chair will first recognise the Honourable Member from Warwick, the Member from constituency 28, Warwick West. MP Jeff Sousa, you have the floor.

Mr. Jeff Sousa: Good morning, Mr. Speaker, and good morning to those in the listening audience.

The Speaker: Good morning.

Mr. Jeff Sousa: Mr. Speaker, I rise this morning to ask this Honourable House to send condolences to [the family of] Fernance Bento Perry, who passed away yesterday. His birthday was actually on Tuesday of this week, when he was 92 years old.

Fernance Perry certainly will go down in this Island's history as one of the greatest entrepreneurs Bermuda has had. As a Bermudian of Portuguese descent myself, I have followed the career of this man, this hardworking man who, as I said, was a great entrepreneur. We all know that he played a prominent role in the business community. He was a business leader. He actually was involved with politics at one time, where he ran to be in the House of Assembly.

He was born in the Azores in 1922 and emigrated to Bermuda in 1926 as a young child. I have actually—

The Speaker: You are talking about his birthday, right?

Mr. Jeff Sousa: Yes, yes.

The Speaker: Yes. This is his birthday.

Mr. Jeff Sousa: What is that?

The Speaker: I just wanted to make sure everybody knows that. This is his birthday.

Mr. Jeff Sousa: No, no, no. No, Mr. Speaker.

An Hon. Member: He passed away.

The Speaker: He passed away?

Mr. Jeff Sousa: He passed away yesterday.

The Speaker: Ah! Oh. Okay. All right. All right. Thank you. I am just trying to get myself clear and understand what is being said. All right. Thank you.

Mr. Jeff Sousa: Thank you. And just to clarify to the listening audience, this great man, Fernance Perry, passed away yesterday. Thank you, Mr. Speaker.

The Speaker: And a former Member of the House.

Mr. Jeff Sousa: He actually was a former Member of Parliament?

Some Hon. Members: Yes.

Mr. Jeff Sousa: Okay. Thank you. And of course, I would like to include the whole House in these condolences.

But knowing Fernance personally, he was a man who would always help if asked, particularly when it came to the young people of this country. Many might not know, but he owned Grace Island, and he developed that island as a place where young people could go and have camps. He was a devout religious man, strongly involved as a member of the Evangelical Church in Paget, which was founded for the Portuguese immigrants in 1890.

I do know that he was also honoured in the New Year's Honours in 2007 by being given an Order of the British Empire. Again, I was shocked to hear of his passing, Mr. Speaker. Many of the older listeners would remember that in 1950, Fernance went out and he purchased the first Piggly-Wiggly grocery store, which went on to be a major chain Island-wide with the Heron Bay Piggly-Wiggly, Somerset Piggly-Wiggly and also the Piggly-Wiggly down Shelly Bay. And of course, at one time he was considered the Supermarket King of Bermuda, with these stores really growing in the 1960s and 1970s, and eventually he sold the Piggly-Wiggly chain in 1979, but still, to this day, his estate owns the property.

So, in closing, Mr. Speaker, I would like ask the Honourable House to send condolences to his wife Janice, his son Christopher, daughter Tiffany and the eldest son Jonathan, as well. I am very sorry to hear of their loss. Thank you, Mr. Speaker.

The Speaker: Thank you. Thank you, Honourable Member.

The Chair will now recognise the Leader of the Opposition. MP Marc Bean, you have the floor, Honourable Marc Bean.

Hon. Marc A. R. Bean: Mr. Speaker, thank you.

All cricket lovers around the world were shocked with the news that the Australian Test batsman, Mr. Phillip Hughes, succumbed to injuries by being struck with a bouncer, Mr. Speaker, which severed his artery in the back of his head.

Now, Mr. Speaker, Australia is a long way away from Bermuda, but to a person, all those who love cricket and are affectionate towards the game share in the loss of the whole country of Australia. And if it is possible, Mr. Speaker, although an extraordinary request, that this Honourable Chamber, on behalf of the Bermuda Cricket Board and all cricket lovers in Bermuda send a letter of condolences to Cricket Australia and the New South Wales Cricket Board and the family of Mr. Phillip Hughes on his untimely demise.

Mr. Speaker, I also stand on my feet to ask for condolences to be sent to the family of Ms. Ivina Inelda "Nelly" Saltus, the mother of a gentleman, Mr. Gary Saltus, and mother-in-law of Gita Blakeney Sal-

tus, whom Members on both sides will be familiar with, and also the great-grandmother of my daughter, Shaehlay. Ms. Saltus lived for 93 years. When you see her obituary, you can see that she lived a fruitful life. You will notice the amount of grandchildren, great-grandchildren and great-great-grandchildren, Mr. Speaker. And for her, or for me, Ms. Saltus was my great-grandmother also. So I would like condolences to be sent to the entire Saltus family.

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Honourable Minister of Public Works. Minister Patricia Gordon-Pamplin, you have the floor.

Hon. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker.

Mr. Speaker, a week ago, we stood in this Honourable House and asked that congratulations be sent to Mr. and Mrs. Anthony and Barbara Smith on the celebration of their 60th wedding anniversary. Mr. Speaker, one week later, I stand here asking that this Honourable House send condolences to that family on the passing of Mr. Smith.

Mr. Speaker, Mr. Smith, as you will know, was quite a businessman, quite an entrepreneur. And he actually is the father to Jonathan, Anthony and twins Collin and Timothy, who was a former Member of Parliament. Mr. Speaker, they live in my constituency. And I can say that in my entire time as a Member of this Honourable House, I have had tremendous support and encouragement from the entire family. It was with great surprise that I was made aware yesterday of the passing of Mr. Smith, and would ask that this Honourable House send condolences.

I would ask that the Honourable Premier be associated with those remarks, as well as the Honourable Minister Dr. Grant Gibbons and the Honourable Member . . . I think they are inviting the entire House to be associated with those remarks of condolence.

I would also, Mr. Speaker, like to ask that this Honourable House send a letter of condolence to the family of Elain Tucker. Mr. Speaker, Elain, as we all knew her, was the daughter of one Edna Morris, who actually hailed from Jamaica. And I remember way back when in the early 1950s, her mom actually was a tenant of my mother. And so I have known Elain literally my entire life, or the majority thereof.

I would also like to be associated with the comments, albeit we have asked the entire House . . . But I think it important that I would like to just add a note, a personal note, with respect to Mr. Fernance Perry. Mr. Speaker, as was mentioned, Mr. Perry had started the Piggly-Wiggly stores. And there was a time when there was a Piggly-Wiggly on the corner of Church and Parliament Streets. I can remember my mother sending me out to buy lemons at ten minutes to six, leaving my home on Victoria Street, to run

down to make sure that we got the lemons from the store before it closed at six o'clock.

Mr. Speaker, I got into the store, got the lemons, went to the cash register, paid for it, and grabbed the purchases and I was on my way back home. And I got in the middle of Court Street by where is now the Dame Lois Browne-Evans Building, and this gentleman stops and jumps out of the car and says, "Little girl, little girl!" And it happened that not only did they pack the lemons in the bag, Mr. Speaker, they had actually packed the day's takings from the cash register in the bag.

[Laughter]

Hon. Patricia J. Gordon-Pamplin: So, Mr. Speaker, that is just something that reminded me of that experience. I support the letters of condolences to be sent to that family. Thank you, Mr. Speaker.

The Speaker: Thank you, thank you. Thank you, Honourable Member.

The Chair will now recognise the Honourable Member from Devonshire. MP Glen Smith, you have the floor.

Mr. Glen Smith: Yes, good morning, Mr. Speaker.

The Speaker: Good morning.

Mr. Glen Smith: Good morning, colleagues.

Mr. Speaker, I would like a letter of condolences sent to the family of Mr. Norman Terceira, who was recently laid to rest this past Tuesday. Mr. Terceira was known as Norman and was a good friend of mine. In actual fact, in some instances, he was a father figure. He was top farrier, who taught the trade to his sons, Carl and Murray, who are the top farriers in Bermuda today, and they run a thriving business on shoeing horses. At one time, he had 70-plus horses at his stables either tethered to the trees or out in paddocks and on Watlington Road. I know, because I used to have to assist in mucking them out and even feeding.

He ran the largest horse-and-carriage livery from the early 1970s right up to the late 2000s, working on Front Street, as I did as a horse-and-carriage driver, my first job when I was 18, along with his two sons, Carl and Murray. I am also proud to say that I was part of his establishment, that we had done several hundreds of weddings over the years from the late 1970s up to the 2000s. I think I only remember once that I did not get the bride to church on time. That is another story within itself.

Mr. Terceira and his family have driven royalty. The family business still delivers the Governor to the Opening of Parliament at every session. Norman was a rough and tough persona. But he was always willing to share his knowledge on the subject that he

knew well, and in particular, the love of animals. He also taught many of us that the hard-work ethic will get you to where you need to get in life.

In closing, I would like to send condolences to his wife, Hedwig, his daughter, Christel, his three sons, Carl, Murray and Norman. And I know I have a number of associates who would like to be associated with this, Jeff Sousa, Glenn Blakeney, Cole Simons, Dr. Grant Gibbons, the Premier, Pat Gordon-Pamplin, Jeanne Atherden . . .

[Inaudible interjections]

Mr. Glen Smith: And I might as well say everybody.
Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Honourable and Learned Member from Sandys North, constituency 36. MP Michael Scott, you have the floor.

Hon. Michael J. Scott: Mr. Speaker, I thank you.

Mr. Speaker, I would like to ask this Honourable House to send a note of condolences to the family of the late George Sidney Mouchette of Rushy Lane in Sandys. I would like to associate the Minister of Public Works, Ms. Gordon-Pamplin; Mr. Cole Simons; the Shadow Minister, Mr. Weeks; and a relative who was at the funeral with me, the Shadow Minister of Economic Development, Mr. Furbert.

Mr. Mouchette was a wonderful Somersetian by adoption, married a Somerset lady, Ms. Cross, worked as a carpenter, was a good, good friend of my father. And always, whenever I spoke with Mr. Mouchette, he would share his friendship that he had with my dad. But they were both carpenters, and Mr. Mouchette worked for Crown Lands [Corporation]. And as Reverend Raynor described him, he was a great Somersetian and a solid member of the community of Long Bay Lane and Rushy Lane, in particular.

So, to his son, George, and to his grandson Shakeel and his daughter Sabrina, and all the extended family, I ask that this House send a letter of condolence. Thank you, sir.

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Honourable Minister for Health and the Environment. Minister Jeanne Atherden, you have the floor.

Hon. Jeanne J. Atherden: Mr. Speaker, I rise today to ask this House to send congratulations to four Bermudians who have passed the Canadian Uniform Final Evaluation. These four persons are Jeffrey Chisnall from PricewaterhouseCoopers, Britney Farias from KPMG, Christine Jack from Deloitte, and Matthew Witkowski from PwC.

Mr. Speaker, I know how important and significant a milestone it is in these young persons' careers. And for those who were not successful, I hope that they will continue and will also be successful in the future. Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Honourable Member from Pembroke [East Central], MP Michael Weeks. You have the floor.

Mr. Michael A. Weeks: Thank you, Mr. Speaker.

Mr. Speaker, I rise this morning before this Honourable House and ask that my colleagues join me in sending a note of congratulations to the Delta Sigma Theta Sorority, Incorporated, on the celebration of 15 years of supporting literacy in this community, with one of their signature events, Mr. Speaker, the Children's Reading Festival, or as it is commonly known, the CRF.

This, Mr. Speaker, has been held for the last 15 years at Victoria Park, and this last one was held Saturday, November 23rd, at Victoria Park. And upwards of over 1,300 children attended, Mr. Speaker.

Mr. Speaker, the ladies of this illustrious organisation, Delta Sigma Theta Sorority, have been making a difference in this country of ours through their local chapter since 1989. And thousands have benefited from their services. Mr. Speaker, the CRF, a totally free event, has been able to promote literacy in a fun way, as they transform Victoria Park every year, providing a window into literacy, using literacy games, local storytellers, literacy hunts, along with arts and crafts. And every child from preschool, Mr. Speaker, to middle school, M1, leaves the event with free books.

This is a wonderful event, and as a fellow Greek, I am pleased to be able to stand and give these congratulatory remarks to them.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Mr. Michael A. Weeks: I would like to associate all the Greeks.

The Speaker: The Chair is going to recognise the Honourable Member from St. George's [West]. She has been waiting for a while. Constituency 2, you have the floor.

Ms. Nandi Outerbridge: Thank you, Mr. Speaker.

Mr. Speaker, this morning I rise to ask that this Honourable House send a letter of congrats to Mr. Keidric Smith, who is actually a cousin of mine, but he is now opening [as] the new owner the new E-business store, Isle441.com. This is a website that is focused on retail. I will associate the Honourable Member Weeks. A retail website that is able to gather

all the local stores in the Island and sell things online. So it is kind of like a Bermuda Amazon.

I know that this website will be convenient for me, as I am so busy I cannot always get into town and go shopping, but I do always like to buy Bermuda. So I wish him the best in this website, and I hope that many others are able to use it as well.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Honourable Minister for Economic Development and Education. Minister, Dr. Grant Gibbons, you have the floor.

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker.

Mr. Speaker, I also rise this morning to ask to be associated with the condolences to the family of the late Tony Smith. I think, as many people know, and as my honourable colleague set out, Mr. Smith was a very accomplished businessman, setting up a number of businesses, employed many people, was a very keen supporter of the Presbyterian Church of Scotland, as well as his alma mater, Warwick Academy.

He was also very accommodating with his advice, and I can remember being summoned on a number of occasions, going back a few years, to his office because he had ideas about Bermuda and what he thought we could do to do a better job, whether it be Government or otherwise.

I would also like to be associated with the condolences to the family of the late Fernance Perry, or "Finance" Perry, I think as a lot of people knew him.

[Laughter]

Dr. the Hon. E. Grant Gibbons: Also a very successful businessperson and someone who gave and did a lot for many members of the community, including the church, through Grace Island, as people have said.

Mr. Speaker, on a different note, I would like to ask that congratulations be sent to Mr. Arie Haziza and his wife, Nicole Haziza. Members may know Nicole Haziza as the Honorary French Consul in Bermuda.

Also, to Riquette Bonne-Smith, who runs the Centre for Talented Youth here. They put on a very special event this past Sunday at Berkeley Institute. It was Science and Engineering Day, and they funded it entirely themselves. They brought in young scientists from the US and Canada, and there was a very good turnout of parents and students, a real effort to try and get more people exposed to STEM (science, technology, engineering and math) in Bermuda. They had a number of different events there. I know the Honourable Member Nandi Outerbridge was also participating with respect to renewable energy. I think Walton Brown wanted to be associated as well, and I am sure

Kim Wilson. But it was a great afternoon and a very good turnout. I certainly would like to thank them for their contribution to Bermuda.

While I am on my feet, Mr. Speaker, I would also ask that congratulations be sent to the Bermuda Debate Society, who had their annual school debate on Saturday. I know the Premier would like to be associated with this. But I would like to congratulate the winning senior team, which was Bermuda High School, I think, who just nipped Berkeley Institute, their team.

Also to the middle school winners as well. And since I was in the senior school debate watching that, I am not quite sure who won the middle school debate. But certainly a tremendous performance by the students who bring the level of sophistication and eloquence to this that I think we sometimes can only aspire to up here, Mr. Speaker. But a very good day. And certainly, it is a great support for the students in our schools. Mr. Roban would like to be associated with those comments. Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Honourable Deputy Speaker. The Honourable Suzann Roberts-Holshouser, you have the floor.

Mrs. Suzann Roberts-Holshouser: Thank you, Mr. Speaker. Thank you, and good morning.

The Speaker: Good morning.

Mrs. Suzann Roberts-Holshouser: Mr. Speaker, I know I do not need to tell you, but you have lost an individual who was basically your neighbour in one by the name of Danny Simpson. I have to tell you that, while his nickname is "Bull," I had a very difficult time actually calling him "Bull." So we actually came up with the decision that I would call him "George." Do not ask me why, but it was George.

Mr. Speaker, often, or very frequently, I would try to visit him at his home. And very seldom did I ever find him there. But, Mr. Speaker, George knew how to find me. In fact, I saw him just a few weeks prior to his going off the landscape. I did not know where he was. But he used to come to visit me in the Town of St. George's on a Wednesday afternoon. I would have a cup of coffee, and often he would have something to eat.

I always thought he looked undernourished, but I was guaranteed by him that he ate very, very well, although he did not like a lot of foods. And I will have you tell you, Mr. Speaker, there are a few people I know who depended on him to show up and clean their cars, as he was always very diligent in showing up to earn a few dollars. But, Mr. Speaker, he will be missed. I will miss the fact that he does not just show up. He would show up in my office or, as I said, he

would show up in St. George's. So, Bermuda has lost another character, but one who will not be forgotten.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Honourable Member from Hamilton West, MP Wayne Furbert. You have the floor.

Hon. Wayne L. Furbert: Thank you, Mr. Speaker.

I would be remiss if I did not say a few words, at least on the condolences to [the family of], I call him "Finance" Perry. I had the fortunate opportunity to work with Mr. "Finance" Perry for probably about three or four years when I was on the Hospitals Board and he was Chairman. He was a character. He was determined to get some things done for the hospital during that time, and he accomplished those goals. We got into a few disagreements several times, but overall I believe Mr. Perry clearly had the focus of Bermuda in his heart and the accomplishment that he was able to do speaks for itself.

Also, I would like to agree with everyone and send condolences . . . I will be associated with the condolences for [the family of] Mr. Smith. I met Mr. Smith years ago, also, wearing another hat, and found Mr. Smith to be a kind gentleman, and gentle. He was very quiet, as most people know, and you can see his children are reflections of that same image. We are very happy to know that his son Jonathan . . . Mr. Smith was a former Senator of the Progressive Labour Party.

[Inaudible interjections]

Hon. Wayne L. Furbert: So, I believe that Mr. Smith clearly paved the way for his family. And I believe that he will be missed amongst his family. And, like the Minister said, last week he was celebrating his 60th wedding anniversary. That is a long time to be involved in that type of thing. But I am glad that he reached that golden opportunity. But the country, and I am sure his family, will miss him. Thank you.

The Speaker: Thank you, Honourable Member.

The Chair will recognise the Honourable Member from Pembroke [South West], MP Susan Jackson. You have the floor.

Mrs. Susan E. Jackson: Good morning, Mr. Speaker.

I would just like to be associated with the condolences to [the family of] Mr. Fernance Perry. As a member of the constituency, he was always very open with his advice and comments and input toward both community and political matters. And he will be greatly missed. I certainly appreciated much of the advice that he had shared over the years.

I would also like, on a happier note, to send congratulatory remarks to the young people who have

just recently completed the Mirrors Programme. The six-day residential is definitely a trying time. I certainly know that there are few of us out here who would have the stamina to complete such an intensive programme. I certainly congratulate these young people and wish them all the best as they move on with their journey in life.

And if you do not mind, I would just like to say their names, because I feel strongly, having been a part of the Mirrors Programme for a number of years, that saying their names helps to acknowledge the work that they have done and the journey that they have taken. Because these are names that we may hear, Mr. Speaker, in the future. And we will remember when.

Shephanise Williams, Dakita Seymour, Denay Johnson, Dylan Young, Faheem Swan, Chucky Swan, Jennifer Sousa, Raheem Ray, Ragul Dill, Shy Richardson, Shamyra Darrell, Taquon Davis, Tamyra Darrell, Terrick Dillas, Taray Thomas Wainwright, and Zamyra Santucci. I wish them all the best.

Thank you.

The Speaker: All right. Thank you, Honourable Member.

The Chair will now recognise the Honourable Member, the Government Whip and Government House Leader from Smith's South, constituency 8.

N. H. C. Simons, you have the floor.

Mr. N. H. Cole Simons: Good morning, Mr. Speaker.

The Speaker: Good morning.

Mr. N. H. Cole Simons: Mr. Speaker, I rise this morning to send congratulatory remarks to the Centenary [United] Methodist Church on the 175th anniversary. They are a very small church in Smith's Parish, but they do great things, Mr. Speaker. Mr. Speaker, that service was very moving. They had the regional Bishop from the Methodist group from Washington there. And basically, it was a service that one can always remember and talked about how the community must come together to sustain itself.

Mr. Speaker, while at that service, two stained-glass windows were dedicated. And I would like to also send out congratulatory remarks to Ms. Jean Gardner. She does a masterful job in producing stained-glass windows in this country. And I think she should be recognised for her contribution to the arts in these specialty types of events that she does for Bermuda in regards to her craft. I mean, she is special and she is world class.

Mr. Speaker, I would like to also send congratulatory remarks to the organisers and participants of the Premier's Concert. Mr. Speaker, Bermuda has so much talent when it comes to the arts, and we should not let it go unnoticed. I would recommend that every MP in this House and every Bermudian make

an effort to attend the annual Premier's Concert. I have been going every year since I have become a Member of Parliament, and I am not disappointed any time that I attend, Mr. Speaker. We must encourage our young people, because they have many positive attributes and positive contributions to make.

I would like to associate myself with the comments made in regard to Christine Jack on achieving her CA. She is a friend of my daughter's, and I have known her for quite some time. I would like to associate myself with the comments made in regards to Keidric Smith and [also] the Bermuda's Debate Society. I was there at the debate, and again, first-class positive contributions made by our young people. We could learn lessons from them.

Mr. Speaker, condolences. I would like to associate myself with the condolences made in regard to Fernance Perry, Anthony Smith, Elain Tucker and Norman Terceira. Mr. Speaker, Fernance Perry and I were at a function together in Canada once. And he gave me his life story. And I said to him, *Mr. Perry, you need to write a book*. He said to me, *Cole, you talk about racism. You do not know what racism is. You do not know what I had to go through as a young Portuguese man in this country in the early 1900s*. And he persevered. He worked hard. He became very successful economically. But yet, he never lost the human touch. He never lost his grass-roots connections. And he never forgot where he came from. So I would like to wish his family all the best during this difficult time.

Elain Tucker. Ms. Tucker was a typical tourism person. She was in service at the social desk at the Princess Hotel for many, many years. She had a smiling face, and the tourists enjoyed dealing with her. She would go beyond what was necessary to ensure that our guests had a most memorable experience while they were vacationing here in Bermuda.

The Speaker: Thank you, Honourable Member.

The Chair will recognise first the Member from Southampton [East Central], the Junior Minister of Education. Leah Scott, you have the floor.

Ms. Leah K. Scott: Good morning, Mr. Speaker, and thank you.

The Speaker: Good morning.

Ms. Leah K. Scott: Mr. Speaker, I would like to send congratulatory remarks to Mrs. Ruth Thomas and the organisers of the Premier's Concert, which I had the pleasure of attending last week Saturday. Mr. Speaker, there is a lot of amazing talent in Bermuda. And the young people and all the participants in the Premier's Concert did a fabulous job. And it just does good to see the good things that our young people are doing in this country. Thank you, Mr. Speaker.

The Speaker: All right. Thank you. Thank you, Honourable Member.

The Chair will now recognise the Honourable Premier. Premier Dunkley, you have the floor.

Hon. Michael H. Dunkley: Thank you, Mr. Speaker. Good afternoon to you and colleagues.

The Speaker: Good afternoon.

Hon. Michael H. Dunkley: Mr. Speaker, having been associated with the condolences sent to [the families of] Mr. Terceira, Mr. Smith and Mr. Perry, I just thought it appropriate to get up and make a few comments for myself.

Mr. Speaker, it is rare that in one week we have a number of individuals pass away who have left such a mark on our community. So I am sure many families grieve at the work they have done. I certainly knew all three of those individuals quite well. And the interesting thing about all three of them, with the experience that they had and the work they have done in the community, they were always very free to share with you their thoughts and their opinions. And I always appreciated the opportunity, especially with somebody like Fernance Perry, when I first started after university, first started working, Fernance Perry, I remember bumping into him on the street. And he took time out of his busy schedule to talk to me and ask how things were going and what I was doing, and stuff like that.

And I think that is something that all of us need to try to do as we grow older, is spend some time with our younger people to impart some of the wisdom that we have learned through the years and what we had to do. So, during this time of grieving, Mr. Speaker, I appreciate the opportunity to share in condolences that my colleagues have passed on to the three families involved.

Mr. Speaker, I was obviously at the Premier's Concert on Saturday, and I would be remiss if I did not remark. And I did pass on your apologies, Mr. Speaker, to Director Heather Whalen. But what a wonderful concert, Mr. Speaker! There were a number of my colleagues there, Minister Pat Gordon-Pamplin; Deputy Speaker, Suzann Roberts-Holshouser; Susan Jackson was there in attendance. I saw Senator Vic Ball there in attendance. MP Scott has already spoken. But, Mr. Speaker, I have been to a number of those concerts, not as many as the Honourable Member, Mr. Cole Simons. But the level of performance of everybody was first class. I enjoyed the dance routines, the singing, looking at the artwork and stuff like that, Mr. Speaker. It is very clear that, in spite of the negatives we hear go on in our community, that we have a lot of young people who are contributing very positively and growing up to be, I think, very effective members of our community. So, congratulations to all of them.

Mr. Speaker, I would also like to be associated in the congratulations that have been sent by the honourable colleague, the Minister of Education, to the School Debate Society. I had the opportunity to go around there and cut the cake in the 25th anniversary of their partnership with the Bermuda Junior Service League. And congratulate all the judges on their sacrifice. Some of them, such as John Barritt, and, I believe, Mr. Notman have done it probably for almost every year of the 25 years. That is a huge sacrifice and a commitment. But I know our young people appreciate that type of commitment.

Mr. Speaker, I would ask this Honourable Chamber to send congratulations to Nir Sadeh and his team for organising the Boxing Night last Friday. When we left this Chamber, I went up there to witness the last two events. It was a wonderful occasion, a packed house. And I think it is appropriate to send congratulations to our young Nikki Bascome, who won the second-to-last fight of the night. I was very impressed with the speed of the young man. He certainly has a good future, I think, in boxing by winning a unanimous decision against who I thought was a very tough fighter from overseas.

Mr. Speaker, I think it is also appropriate to send congratulations and best wishes to former champion Teresa Perozzi. She did not win that night. She had a very tough opponent. But she has represented well, and Bermuda has been proud of her accomplishments. So even during what I think she would consider a stunning loss for her, I was proud to have the opportunity to be part of that night and see a little picture of what she has done in the boxing world. She has done a tremendous job, and I think all Members in this Chamber would like to be associated with that congratulations and best wishes to her as it appears that she is moving on to boxing from somebody else. And the Honourable Minister, Shawn Crockwell, would like to be associated.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Premier.

That concludes our Congratulatory and/or Obituary Speeches.

MATTERS OF PRIVILEGE

The Speaker: There are no Matters of Privilege.

PERSONAL EXPLANATIONS

The Speaker: No Personal Explanations.

NOTICE OF MOTIONS FOR THE ADJOURNMENT OF THE HOUSE ON MATTERS OF URGENT PUBLIC IMPORTANCE

The Speaker: No Notices of Motions for the Adjournment of the House.

INTRODUCTION OF BILLS

GOVERNMENT BILLS

The Speaker: We now have introduction of Bills. The Chair will first recognise the Honourable Minister of Tourism and Transport, Minister Shawn Crockwell. You have the floor.

BILL

FIRST READING

CASINO GAMING ACT 2014

Hon. Shawn G. Crockwell: Thank you, Mr. Speaker.

Mr. Speaker, I am introducing the following Bill for its first reading so that it may be placed on the Order Paper for the next day of meeting: The Bill is the Casino Gaming Act 2014.

The Speaker: Thank you, Minister.

Are there any objections to that?

[Desk thumping]

The Speaker: There are none. So that matter will be tabled.

The Chair now recognises the . . . Sorry, the Premier is going to do for the Minister of Finance. You have two Bills, Premier. So, first . . . well, you carry on.

BILLS

FIRST READINGS

BERMUDA MONETARY AUTHORITY AMENDMENT ACT 2014

~and~

INSURANCE AMENDMENT ACT 2014

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

Mr. Speaker, on behalf of the Honourable Minister of Finance, I am introducing the following Bills for their first readings so that they may be placed on the Order Paper for the next day of meeting: the Bermuda Monetary Authority Amendment Act 2014, and the Insurance Amendment Act 2014.

Thank you, Mr. Speaker.

The Speaker: Thank you.

Are there any objections to that?

There are none. So those matters will be placed on the Order Paper.

OPPOSITION BILLS

The Speaker: We now move to Opposition Bills. And we have one in the name of the Honourable M. J. Scott. So is there a Member who can . . . ?

Yes, if you will carry on.

Mr. W. Lawrence Scott: Yes, good day, Mr. Speaker. I move for . . .

The Speaker: It should be in your name. Absolutely.

Mr. W. Lawrence Scott: Yes, Mr. Speaker.

The Speaker: Right. So the Order Paper really should say, *the Honourable Lawrence Scott*.

Mr. W. Lawrence Scott: Yes. There are just too many Scotts in the House.

The Speaker: It should say Lawrence Scott rather than M. J. Scott.

[Inaudible interjections]

The Speaker: So, carry on, Honourable Member.

BILL

FIRST READING

AUXILIARY BICYCLES AMENDMENT ACT 2014

Mr. W. Lawrence Scott: Thank you very much, Mr. Speaker.

I move for leave to introduce the following Bill for its first reading so that it may be placed on the Order Paper for the next day of meeting: the Auxiliary Bicycles Amendment Act 2014.

The Speaker: Are there any objections?

There are none, so that matter will be placed on the Order Paper.

PRIVATE MEMBERS' BILLS

The Speaker: There are no Private Members' Bills.

NOTICES OF MOTIONS

The Speaker: There are none.

ORDERS OF THE DAY

The Speaker: We now move to Orders of the Day.

And the Chair will first recognise the Honourable Premier.

Premier, how long is your presentation going to be?

Hon. Michael H. Dunkley: I can get it in.

The Speaker: Okay. Do you want to do it now?

Hon. Michael H. Dunkley: Yes, sir.

The Speaker: All right.

The Chair will recognise the Honourable Premier. Premier Dunkley, you have the floor.

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

Mr. Speaker, I move that the Bill entitled the Fire Safety Act 2014 be now read the second time and committed.

The Speaker: Are there any objections to that? Please carry on, Premier.

BILL

SECOND READING

FIRE SAFETY ACT 2014

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

Mr. Speaker and colleagues, the Bill before this Honourable House this afternoon is the Fire Safety Act 2014. This Bill enhances the regime for fire safety and protection in Bermuda by giving the Bermuda Fire and Rescue Service the legislative tool to more effectively and proactively promote and address fire safety in Bermuda.

Mr. Speaker, this Bill should engender bipartisan support in this Chamber, as it is one of those initiatives that was significantly advanced before this Government was elected in 2012.

Mr. Speaker, the Bill will result in the Bermuda Fire and Rescue Service having overall authority and responsibility for the promotion of fire safety and protection at every stage of the development of premises, from the design stage through construction or alteration, repair or demolition.

Mr. Speaker, it is important to note that this Bill does not apply to private homes, but principally to commercial premises. The Bill also makes the provisions of the National Fire Protection Association standards and codes of practice have the force of law here in Bermuda. The Minister responsible for fire safety may also issue supplemental fire safety codes essential to the operational requirements of the Bermuda Fire and Rescue [Service] for fire safety in Bermuda.

Mr. Speaker, the issuance, transfer, renewal or refusal of fire certificates by the Chief Fire Officer will also be governed by this Bill. Before a fire certifi-

cate is issued, transferred or renewed, the Chief Fire Officer, or a fire inspector, shall carry out a risk survey and the inspection of the premises concerned. Older buildings, Mr. Speaker, that are currently in use but do not have fire certificates must also undergo a risk survey that will identify the minimum standards and time-frame within which the owners must comply with the required fire safety standards in order for this fire certificate to be issued.

Additionally, Mr. Speaker, the Bill provides that fire certificates can be guaranteed for up to five years or any shorter time if, in the opinion of the fire inspectors, more frequent inspections are warranted. The provisions of this expertise in fire safety comes at a fee, Mr. Speaker, and the Bill proposes to introduce flat fees under the Government Fees Act for fire inspections and certificates, based on a building's square footage.

Mr. Speaker, it is important to note that, if necessary, the Bermuda Fire and Rescue Service has the ability to also appoint fire inspectors who are not fire officers, but are otherwise qualified for the purposes of these fire safety inspections. This will assist developers or owners in satisfying the fire inspection component in the most expeditious manner, Mr. Speaker.

It is also important to note that the Bill provides for the Chief Fire Officer to be an ex officio member of the Development Applications Board by amending the Development Applications and Planning Act 1974. This will equip the board with sound early advice on fire safety when considering any new developments that are being planned.

The Bill also amends the Bermuda Fire and Rescue Service Act 1982 to provide for greater expertise and enhanced advisory functions for the Fire Service Board. Mr. Speaker, this is done when members of the board will now also include an engineer, an architect and an interior designer. The board will give advice to the Minister in relation to fire safety and protection measures, generally.

Mr. Speaker and honourable colleagues of this House, you should note that any new construction must already meet the National Fire Protection Association Code. This Bill will not require existing buildings to be brought up to the standard of new construction, but existing buildings will be required to meet minimum safety standards, which typically, Mr. Speaker, will include fire alarm upgrades, installation of fire extinguishers and adequate doors to get out of a building if there is a challenge. Mr. Speaker, this will also apply to the more than 800 government buildings that this Government is responsible for.

The Bill contains a clause which allows a commencement provision to come into force in the *Gazette*, and permits the Minister responsible to appoint different days for different provisions of the Act to come into force. Pending this Bill coming into force, Mr. Speaker, the Bermuda Fire [and] Rescue Service

will conduct a significant public awareness campaign in order to educate the public on the provisions of the Bill and what is expected of owners and occupiers of premises proposed to be regulated by the Bill's provisions.

Mr. Speaker, I think this is an important part of the Bill to remember, that there will be the opportunity for different commencement dates on different sections of the Bill, depending on the education of the public, to make sure that it can be a seamless transition into these new codes.

In closing, Mr. Speaker, I can advise Honourable Members of this House that this Bill has been subject to extensive consultation throughout various professional bodies representing architects, interior designers and engineers, as well as within the various Ministries that are affected. It represents a very clear much-needed addition to the body of laws that regulate building design in this country and provides a workable regime to enhance this area of public safety.

Mr. Speaker, with those comments, I am now pleased to commend the Bill to the House and comments of other Members. Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Shadow Minister for Public Safety. MP Walter Roban, you have the floor.

Mr. Walter H. Roban: Thank you, Mr. Speaker.

I thank the Premier and Minister for his comments on this particular piece of legislation. As the Honourable Premier said, this is a Bill that has been in the works for quite some time. And it accomplishes something that is important to, I believe, everyone.

Although its specific remit is buildings of a commercial nature, the work of the Fire Service in fire and safety and ensuring that our buildings and like facilities are properly maintained for such issues is extremely important. And certainly, as Bermuda has, over perhaps the past two or three decades, had a lot more commercial development of all different types for different uses, the role of the Fire Service has increased. The height of buildings has increased. So much has increased in this area. So their role has become more important now than ever from being the sort of part-time Fire Service that existed decades ago to being actually crucial in the safety of everyone in their usage of all facilities around the Island.

As the Honourable Premier said, this has been in the works for quite some time. It is bringing into one piece of legislation all these pieces that existed in the Development Applications and Planning Act, Health and Safety Act, Occupational Safety and Health Act 1982, of which the Fire Service was somewhat hampered in being as efficient as they could be because they had to go through other agencies of Government to exercise some of the work that they needed to do around fire safety.

This gives it all to them. It puts it under their umbrella. They are the chief authority in this area and have been for quite some time. They will continue to work with other agencies of Government. But they now have the teeth that they require to be effective, from a legal standpoint, as the authorities around fire safety. They have the technical knowledge, which is a part of the training that they have, and they have very highly skilled persons in the Island, Bermudians, who are trained in this area. Their work must continue to ensure our safety.

I would just like to thank the Fire Chief Burchall and Fire Officer White for the guidance they gave me around this legislation. They availed themselves to me to just hear the perspective of the Fire Service around it. They are keen to see this Act come into play. We must applaud their work, because they did work very closely with the Chambers and those persons in Government to get this legislation together over a number of years.

I will conclude there by saying that we support the legislation, of course. And we are looking forward to seeing the Fire Service continue the good work that they already do, and this Act giving them the efficiency that they require to work with other stakeholders in the community to ensure that buildings like this very delicate building we have here, which is old, but still needs to have the proper codes and proper things in place, and that people in the community are following those rules to ensure that we are all safe.

So, thank you for allowing me to make those comments, Mr. Speaker, and I will take my seat.

The Speaker: All right. Thank you, Honourable Member.

The Chair will recognise now the Honourable Member from Warwick [West]. MP Jeff Sousa, you have the floor.

Mr. Jeff Sousa: Good afternoon, Mr. Speaker.

I just wanted to stand and briefly say that I really support this Fire Safety Act 2014. Certainly, on reading the Act, it is a very thorough Act. And it is one that obviously looks at the health and safety of our people.

In particular, I look at page 36 of the Bill, Mr. Speaker, where it obviously spells out all the different areas that this will be for. I am very happy with that.

Of course, on behalf of everyone, we would like to thank all those who were involved with this, because this process took place quite some time ago, and it has come to this point now. And I would certainly like to thank them for the hard work that they spent on this document. Thank you.

The Speaker: Thank you, Honourable Member.

Would any other Honourable Members care to speak?

I will recognise the Honourable Minister for Public Works. Minister Gordon-Pamplin, you have the floor.

Hon. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker.

Mr. Speaker, I obviously would like to support the second reading and the implementation of this Fire Safety Act 2014. As the Honourable Premier and Minister for National Security indicated in the introduction, this is a Bill, this is an Act that will relate to commercial buildings. I think it is important to underscore that we are not implementing the levels of oversight and control for private dwellings. I think that, very often, people look at things that we do in this House and, by virtue of either being ill-informed or just not reading, I think they sometimes think that, *Oh, now I have got to spend the money to do this for my private home.*

There are rules and regulations obviously in effect respecting private property. And they will continue to be in effect. But I just want it to be known that these specific regulations (we will go, obviously, into more detail when we get into Committee) are relating to commercial buildings.

I think that as the Minister of Public Works and responsible for some 800 Government buildings, Mr. Speaker, it is important to know that we as a Government, as well as those from the previous Government, have a commitment to ensure that the government structures are safe for people who have to work within the walls of our government buildings. And while some of the requirements are minimum safety requirements respecting some of the older buildings, they are nonetheless essential. We do not want for any accidents or any tragedies to happen.

We have been very blessed, Mr. Speaker. Some of our buildings are tremendously aged. I think the Honourable Member opposite indicated that the building was *delicate*, this particular building. I thought that was quite a *delicate* way of putting the state of some of our buildings, Mr. Speaker. They are delicate. And I think that we have to do what we can to protect. And working in conjunction with the Fire Service to ensure fire safety bodes well not just for the occupants and those working in the buildings, but also to the building itself. To be able to have proper egress from a building if it should be under stress, under fire or smoke challenges, we want to make sure that we keep people safe.

Mr. Speaker, making that commitment on behalf of the 800 government buildings that we manage and are responsible for within the Ministry, I want to say that we will ensure that this Act will be fully implemented in any area where we might still be lacking.

Mr. Speaker, the Fire Service has given yeoman's advice in terms of ensuring that this Bill comes to its fruition. In addition, Mr. Speaker, I think we have had probably 14, 15 iterations of this Bill in order to

ensure that we get it right. I am not saying that it is 100 per cent there, but we will never allow the *perfect* to be the enemy of the *good*, Mr. Speaker. What we have in front of us is a very good piece of legislation, and I look forward to contributing further in the debate as we look at the individual clauses.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

All right. I will recognise . . . It is 12:30 now. Maybe we should take a break, because there are other Members who may want to speak.

Mr. Premier?

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

I move that we adjourn for lunch.

The Speaker: Thank you, Honourable Premier.

The House is adjourned to 2:00 pm.

Proceedings suspended at 12:32 pm

Proceedings resumed at 2:04 pm

[Hon. K. H. Randolph Horton, Speaker, in the Chair]

BILL

SECOND READING

FIRE SAFETY ACT 2014

[Continuation of Second Reading debate thereon]

The Speaker: Members, we are continuing the general debate on the Fire Safety Act 2014.

The Chair will recognise the Honourable Deputy Speaker, Mrs. Roberts-Holshouser.

You have the floor.

Mrs. Suzann Roberts-Holshouser: Thank you, Mr. Speaker.

I just wanted to say that I support the Bill that we have in front of us. And I am sure that for everyone looking what they are [concerned about] is for the safety of Bermuda and our buildings, but most importantly our people.

But Mr. Speaker, I just wanted to assure those Members who sit in this honourable place that as the individual responsible for the House and Grounds [Committee], I am comfortable in saying that while this House has just been put on the Historic Building list (amazingly after all these years) I can also say that we have updated our fire security rules and regulations. And I can guarantee the individuals within this House [that] we are all very safe, and I look forward to other buildings coming up to the same standard as this one.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Any other Honourable Members care to speak?

Then the Chair will recognise the Premier who is the sponsor for the Bill.

Premier?

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

I appreciate those comments from honourable colleagues and I appreciate the support from the Opposition on this Bill going forward. Certainly it is important that we have proper fire safety and prevention on the island. And I appreciate the . . . one of my colleagues did mention the number of drafts that we went through to get to the final Bill today and I think that shows we are cognisant of the fact that we want to make sure that we get it right. We do not want to have extra layers of bureaucracy, but it is important that we have fire prevention and protection.

So I am appreciative of the support here today and I move that this Bill now be committed.

The Speaker: Thank you.

Are there any objections to that?

The Chair then now asks that the Deputy Speaker will please take the Chair [of Committee].

[Pause]

House in Committee at 2:06 pm

[Mrs. Suzann Roberts-Holshouser, Chairman]

COMMITTEE ON BILL FIRE SAFETY ACT 2014

The Chairman: Honourable Members, we are now in Committee of the whole House for further consideration on the Bill entitled Fire Safety Act 2014.

I call on the Minister in charge to proceed.

Minister, you have the floor.

Hon. Michael H. Dunkley: Thank you, Madam Chairman.

I would like to take the first stab and do clauses 1 through 8.

The Chairman: Are there any objections for clauses 1 through 8?

Please proceed.

Hon. Michael H. Dunkley: Thank you, Madam Chairman.

Clause 1 is self-explanatory.

Clause 2 contains definitions of expressions used in the Bill.

Clause 3 applies the Bill to all premises, except a single private dwelling house and the common areas of multiple unit dwellings.

Clause 4 declares that the provisions in this Bill regarding fire safety will prevail over such provisions in another Act to the extent of any inconsistency.

Clause 5 states that the provisions are binding on the Crown.

Clause 6 is declaratory in nature. It states that the Bermuda Fire and Rescue Service is the ultimate authority on fire safety matters in Bermuda.

Clause 7 provides for the adoption of the National Fire Protection Association standards and codes of practice relating to fire safety and protection.

Clause 8 empowers the Minister to issue additional fire codes that may be required in consideration of the unique design and construction of buildings in Bermuda. The Minister must act on the advice of the Chief Fire Officer with respect to the issue of such codes.

Those are the first eight clauses, Madam Chairman.

The Chairman: Are there any Members that would like to speak to clauses 1 through 8?

Thank you. The Chair recognises the Member from constituency 15 Pembroke East, Mr. W. H. Roban.

You have the floor.

Mr. Walter H. Roban: Thank you very much, Madam Chairman.

I just wish to raise a question with the Minister as to clause 6(1) which states, "The Bermuda Fire and Rescue Service shall have overall authority and responsibility with respect to fire safety and protection, and the promotion thereof."

My question is, to what extent does this still require the Bermuda Fire Service to work with the Health and Safety Department? I know that some of the changes that are being made to this removes their need to go through certain conduits to effectively enforce the fire code, and some of that did require them to go through the Health and Safety Department.

Now what will be the sort of relationship and how will they engage with the other departments, like the Health and Safety Department (which obviously deals with safety) and they would, perhaps, even be on the scene if a fire did create a situation where there were people injured, or so on, on a construction site, on a building or on another commercial facility. So what will be the engagement in light of the fact that this Bill does give the Fire Service complete authority around these matters?

The Chairman: Thank you.
Minister?

Hon. Michael H. Dunkley: Thank you, Madam Chairman.

I draw the Honourable Member's attention to the fact that the Chief Fire Officer will sit on the Planning Board and so at the very beginning of the process they are already intimately involved in all the applications taking place. So they are involved from the beginning of the process right through the end of the process, so all the various departments that have a say in that will certainly be consulted all the way through.

The Chairman: Thank you.

Are there any other Members that would like to speak to clauses 1 through 8?

Premier, please proceed.

Hon. Michael H. Dunkley: Thank you, Madam Chairman.

I will go, if the Honourable Member is comfortable, I will go [clauses] 9 through 20.

The Chairman: [Clauses] 9 through 20.

Are there any Members that object?

The Chair recognises the Member from constituency 15.

Mr. Walter H. Roban: Perhaps a point of assistance.

I would probably suggest that the Premier go from [clauses] 9 through 25.

The Chairman: Well, if that is agreeable.

Mr. Walter H. Roban: If he is comfortable with that.

The Chairman: Mm-hmm.
Premier?

Hon. Michael H. Dunkley: Certainly, yes.

The Chairman: So we will proceed to review clauses 9 through 25.

Hon. Michael H. Dunkley: Yes, thank you.

Clause 9 requires the person responsible for the premises to which this Bill applies to obtain a fire certificate issued by the Chief Fire Officer with respect to his premises. Clause 9(2) sets out the various classes of use of premises in respect of which a fire certificate will be required.

Clause 10 sets out the procedure and requirements in relation to an application for a fire certificate.

Clause 11 gives the Chief Fire Officer power as to the grant of a fire certificate.

Clause 12 provides for certification of fire safety aspects of the plans by the Chief Fire Officer at the design stage of building.

Clause 13 requires the Minister in deciding whether to issue a fire certificate to take into consideration certain matters relating to fire safety.

Clause 14 specifies the content of a fire certificate and sets out the various conditions which may be imposed under the fire certificate in order to ensure the safety of persons in the event of fire in a building. The main purpose of this clause is to try to ensure that people will be able to escape quickly and safely from premises in the event of fire.

Clause 15 specifies the duration of a fire certificate and requires a copy to be displayed. A fire certificate may be issued for a maximum period of five years.

Clause 16 provides for the renewal of a fire certificate.

Clause 17 deals with the transfer of a fire certificate.

Clause 18 relates to the refusal of a fire certificate.

Clause 19 provides for circumstances where material changes are proposed to premises that may affect the adequacy of a fire certificate.

Clause 20 requires a record to be kept with respect to fire certificates issued or renewed, and plans certified under the Act.

Clause 21 requires the Bermuda Fire and Rescue Service to carry out risk surveys. Risk surveys will be required for existing premises.

Clause 22 states how arrangements must be made for a risk survey.

Clause 23 provides for entry on and survey or inspection of premises for the purposes of concluding fire safety requirements. Owners and occupiers of existing premises must comply with NFPA 101—Life Safety Code.

Clause 24 provides supplementary powers for entry on and survey of premises in order to determine fire safety requirements.

Clause 25 provides for fire safety requirements.

The Chairman: Thank you.

Are there any Members that would like to speak to clauses 9 through 25?

The Chair recognises the Shadow Minister of Public Safety.

You have the floor.

Mr. Walter H. Roban: Thank you, Madam Chairman.

A question for the Minister as it relates to survey of risk . . . well, I have two questions. One is on the matter concerning survey of risk, which is outlined in PART 4 on page 14 of the Bill, clause 21. When certain architectural plans are changed in relation to buildings how will that be dealt with in reference to . . . clearly, if a set of plans is put in and it is approved and a survey of risk is done by the Fire Service and they sign off, if there is a change order done to the building of certainly consequential construction . . . I guess, integrity of the building, how will the Fire Service han-

dle that? Will that require a totally new survey or just a modification to the existing . . . certificate or survey?

The Chairman: Thank you.
Premier.

Hon. Michael H. Dunkley: Yes, thank you, Madam Chairman.

That is a reasonable question. Because the Fire Service is involved in the process from the beginning right through, they will be there all the way through the building development. So when changes are made, and I understand through . . . for example, the new structure of the hospital, there were many changes made all the way through it and the Fire Service was actively involved in the process from the beginning to the end. So they made them as they went along and continued the process without holding it up in any fashion.

So they will continue to be involved all the way through the process and because they start at the beginning, they understand the project, they are involved in the beginning, they can make these changes because they know the plans well and they can move and break down red tape.

The Chairman: Thank you.

The Chair recognises the Shadow Minister of Public Safety.

You have the floor.

Mr. Walter H. Roban: Thank you, Madam Chairman.

In fact, I thank the Honourable Premier for bringing up the issue concerning the hospital because as we were made aware through Hurricane Gonzalo there was substantial water, I guess, penetration to the structure of the hospital. And obviously because of its height and its dimension it has quite a bit of exposure.

How does risk like that get dealt with in reference to . . . obviously, when it was built it was, perhaps, thought that that was suitable, that whatever the design and the engineering and even the . . . those concerned with the safety would have surveyed and thought it was appropriate, but with a Gonzalo-type of occurrence how does the survey of risk change? Do they play a role in making sure that certain changes will be made to a structure like that? Because that, you know, for water damage to a health care facility is quite a substantial matter, so how will the survey of risk be dealt with in a serious sort of circumstance like that, like the hospital?

The Chairman: Thank you.
Premier?

Hon. Michael H. Dunkley: Yes, thank you, Madam Chairman.

From what I understand, and I toured the hospital probably one day after . . . yes, it was the day right after the hurricane. The significant water damage was to the old part of the hospital where a roof—part of a roof—was blown off. So it had very little to do with the new part of the hospital. The new part of the hospital did have some, what I would consider, exterior damage up on some of the areas where they would be outside of patio deck areas and stuff like that. But the interior of the new hospital was in good shape. It was the old part of the hospital that had the significant damage, and that is where those long-term care patients were moved into other sections of the hospital quite quickly and with a plan that worked well for the patients there and done very well by the staff.

The Chairman: Thank you.

Are there any other Members that would like to speak to clauses 9 through 25?

There are no other Members.

Premier, please continue.

Hon. Michael H. Dunkley: Thank you.

Clauses 26 through 50?

The Chairman: Are there any objections to [clauses] 26 through 50?

There are no objections.

Premier, please continue.

Hon. Michael H. Dunkley: Thank you.

Clause 26 provides for matters pursuant to a risk survey.

Clause 27 provides for the enforcement of the Act. This clause declares that the Bermuda Fire and Rescue Service is responsible for ensuring the enforcement of the provisions of this Act and provisions in any law relating to fire safety and protection.

Clause 28 provides for the appointment and authorisation of Fire Inspectors.

Clause 29 sets out powers of Fire Inspectors.

Clause 30 sets out how powers of entry and inspection may be exercised.

Clause 31 provides for entry and inspection under warrant.

Clause 32 provides for the issue of an enforcement notice to a person responsible for the premises.

Clause 33 provides for the issue of a prohibition notice to a person responsible for premises where there is believed to be a serious fire risk.

Clause 34 sets out definitions for the purposes of clause 33.

Clause 35 provides the Chief Fire Officer and Fire Inspectors with recourse to the Magistrates' Court if required in relation to enforcement of the provisions of this Act.

Clause 36 requires persons to provide assistance to Fire Inspectors in the performance of their duties under this Bill.

Clause 37 confers protection from liability for acts done, or omitted, in good faith.

Clause 38 confers a duty on the person responsible for the premises to take fire precautions with respect to his premises.

Clause 39 confers a duty on the person responsible for premises to report the occurrence of fire. It also seeks to confer a duty on persons who provide services that include monitoring fire alarms to report fire alarms to the Bermuda Fire and Rescue Service.

Clause 40 requires the owner of premises to keep a record of fire safety matters. The record shall be in such form as may be approved by the Chief Fire Officer.

Clause 41 requires steps to be taken by the person responsible for premises for the reduction of risks from dangerous commodities.

Clause 42 contains provisions regarding offences.

Clause 43 provides for circumstances where an offence is committed by a body corporate.

Clause 44 provides for proceedings relating to offences to be before the Magistrates' Court and subject to the consent of the DPP.

Clause 45 provides a defence.

Clause 46 makes provision for appeals to the Fire Services Board.

Clause 47 provides for appeals to the Magistrates' Court.

Clause 48 confers a duty on the various planning, building and licensing authorities concerned to consult the Bermuda Fire and Rescue Service as regards fire safety and protection matters before they issue a licence (as that expression is defined in clause 48).

Clause 49 enables the Minister to amend existing provisions relating to fire safety matters.

Clause 50 confers general power on the Minister to make regulations concerning fire safety.

Thank you, Madam Chairman.

The Chairman: Thank you.

Are there any Members that would like to speak to clauses 26 through 50?

The Chair recognises the Shadow for Public Safety.

You have the floor.

Mr. Walter H. Roban: Thank you, Madam Chairman.

Question in relation to the Fire Inspectors. Does this—

The Chairman: Can you help me out? Where . . . which clause, please?

Mr. Walter H. Roban: Oh, I am sorry, I thought I said the number—[clause] 28 under PART 5, Enforcement.

The Chairman: Thank you.

Mr. Walter H. Roban: For our Fire Inspectors, does this new regime require any additional training to be carried out in the training of existing or new Fire Inspectors? And what is the nature of that training if it is required?

Also, how often do the Fire Inspectors go around and check that building managers and others have kept an appropriate record of things such as fire extinguishers updated or fire systems being maintained? How often do our current enforcement . . . well, how often do they go around checking those things with the amount of commercial buildings that we have? And, of course, if you consider that the Government itself has 600 to 800 buildings, it is quite a job and, perhaps, you could . . . you know, is there going to be a need to add additional inspectors with this regime? And also, like I said, the training that is required.

The Chairman: Thank you.
Premier?

Hon. Michael H. Dunkley: Thank you, Madam Chairman.

There will be no additional training required, and currently there are annual inspections of buildings and that will continue.

Obviously, with these heightened measures there will have to be more detail, and that is why in this Bill it contains provisions for commencement dates at different times so there can be a full public understanding of what is taking place and people can get into the routine of what needs to be done.

The Chairman: Thank you.

Are there any other Members that would like to speak to clauses 26 through 50?

The Chair recognises the Shadow Minister of Public Safety.

Mr. Walter H. Roban: The Premier mentioned the date of commencement. When will those consultations start with the general public on those matters?

The Chairman: Thank you.
Premier?

Hon. Michael H. Dunkley: We are getting a little ahead of the commencement clause because it is not there, but—

Mr. Walter H. Roban: Apologies, wait—

Hon. Michael H. Dunkley: —as soon as the Bill is passed then the Bermuda Fire and Rescue Service will start to acknowledge to the public what is going on.

The Chairman: Thank you.

Are there any other Members that would like to speak to clauses 26 through 50?

There are no other Members.

Premier, please continue.

Hon. Michael H. Dunkley: Thank you, we can go clauses 51 through 58, the end.

Clause 51 provides for the service of notices.

Clause 52 seeks to amend the Development and Planning Act 1974 to make provision for the Chief Fire Officer to be a member *ex officio* of the Development Applications Board.

Clause 53 makes changes to the composition of the Fire Services Board and confers additional duties on the Board to enable it to undertake duties under this Bill.

Clause 54 inserts fees in the Government Fees Regulations 1976 in relation to fire certificates.

Clause 55 and the Schedule to the Bill make various amendments to enactments in consequence of the enactment.

Clause 56 provides for savings.

Clause 57 provides for transitional matters.

Clause 58 provides for the commencement of the Act.

The Chairman: Thank you.

Are there any Members that would like to speak to clauses 51 through 58?

The Chair recognises the Shadow Minister of Public Safety.

You have the floor.

Mr. Walter H. Roban: I do recall, and this relates to, I guess, [clause] 52, where the Honourable Premier speaks about “the Chief Fire Officer shall be a member *ex officio* of the Development Applications Board,” of the DAB.]

I do recall the Premier mentioning something about there being some changes that will add an architect as well as another technical professional. What exact board is that? Is that related to this [clause] 52 or is it to another section under [clause] 53 under the original Bermuda Fire and Rescue Service Act?

The Chairman: Thank you.

Premier?

Hon. Michael H. Dunkley: Yes, thank you, Madam Chairman.

That is the Fire Service Advisory Board and so I refer to an engineer, an architect, and an interior designer on that.

Mr. Walter H. Roban: Yes, yes.

Hon. Michael H. Dunkley: So the current Board . . . the Board going forward will consist of nine individuals. There will be two people from the Corporation of Hamilton, one from the Corporation of St. George's, four at the discretion of the Minister, and three will have to be those three that are named, the Chief Fire Officer (or his representative), and the General Manager of the Airport.

So that Board is in the process of being finalised for a panel in the year 2015.

The Chairman: Thank you.

Are there any other Members that would like to speak to clauses 51 through 58?

There are no other Members.
Premier, please proceed.

Hon. Michael H. Dunkley: Thank you.
I move the Preamble.

The Chairman: We would like to move the clauses first, please.

Hon. Michael H. Dunkley: Sorry. I move all clauses, 1 through 52 and the Preamble.

The Chairman: Clauses 1 through 58?

It has been moved that clauses 1 through 58 be approved?

Are there any individuals that would like to . . .
No?
Agreed to.

[Gavel]

[Motion carried: Clauses 1 through 58 passed.]

Hon. Michael H. Dunkley: I also move the Schedules.

The Chairman: It has been moved that two Schedules be approved as printed.

Are there any objections to that motion?
There are no objections to that motion.

[Gavel]

[Motion carried: Schedules passed]

Hon. Michael H. Dunkley: Madam Chairman, just while we come to a close on this I would like to thank the Permanent Secretary of National Security and the Chief Fire Officer and his team for a tremendous job. It has been a long slog, but I think both sides of the House can take credit for a good piece of legislation today.

So thank you gentlemen.

[Desk thumping]

The Chairman: Thank you.

We would like to approve the Preamble.
Premier, would you like to?

Hon. Michael H. Dunkley: I move that it be approved and reported to the House, Madam Chairman.

The Chairman: It has been moved that the Preamble be approved.

Are there any objections to that motion?
Agreed to.

[Gavel]

The Chairman: It has been moved that the Bill be reported to the House as printed.

Are there any objections to that motion?
No objections.
Agreed to.

[Gavel]

[Motion carried: The Fire Safety Act 2014 was considered by a Committee of the whole House and passed without amendment.]

House resumed at 2:29 pm

[Hon. K. H. Randolph Horton, Speaker, in the Chair]

REPORT OF COMMITTEE

FIRE SAFETY ACT 2014

The Speaker: All right. The Fire Safety Act 2014 has been approved as printed.

We now move on to the next Order, which is Order No. 2, the Consideration of the Government Fees Amendment . . . that is carried over? Order No. 2 is carried over is it?

So we then go to Order No. 3, Consideration of the Charities (Anti-Money Laundering, Anti-Terrorist Financing and Reporting) Regulations 2014 in the name of the Junior Minister of Home Affairs.

You have the floor.

DRAFT REGULATIONS

CHARITIES (ANTI-MONEY LAUNDERING, ANTI-TERRORIST FINANCING AND REPORTING) REGULATIONS 2014

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

I move that consideration be given to draft regulations entitled the Charities (Anti-Money Laundering, Anti-Terrorist Financing and Reporting) Regu-

lations 2014 proposed to be made by the Minister of Home Affairs under the provisions of section 38 and [47] of the Charities Act 2014.

The Speaker: Thank you.

Are there any objections?

Carry on, Minister.

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

Mr. Speaker, I am pleased to rise today to introduce the regulations entitled Charities (Anti-Money Laundering, Anti-Terrorist Financing and Reporting) Regulations 2014.

The regulations are being made under sections 38 and [47] of the Charities Act 2014, which was passed by this House in February 2014.

The regulations seek to honour our commitment to ensure that registered charities adhere to the highest standards of governance, particularly in relation to the prevention of their being abused for the purposes of money-laundering, the financing of terrorism and other illegal activities.

Additionally, Mr. Speaker, the regulations entitled Charities Regulations 2014 were also made pursuant to the Charities Act 2014 and are negative resolution under section 48(2) of the Act. But Honourable Members, we are here today to debate the Charities (Anti-Money Laundering, Anti-Terrorist Financing and Reporting) Regulations 2014.

Mr. Speaker, the regulations were drafted in consultation with the National Anti-Money Laundering Committee [NAMLC] as required under section 47 of the Charities Act 2014 and with the Centre on Philanthropy. The regulations will bring Bermuda's charitable sector into compliance with the international standards on combating money-laundering and the financing of terrorism and proliferation under recommendation VIII of the Financial Action Task Force [FATF] recommendations.

Mr. Speaker, this is of great importance as charitable organisations enjoy public trust, have access to considerable sources of funds, both public and private funding, and have a global presence that provides a framework for national and international operations and financial transactions. If measures are not adopted and put in place, then charities may be vulnerable to abuse or susceptible to illegal activities engaged in by others.

The regulations require registered charities to establish and maintain anti-money laundering and anti-terrorist finance systems and controls and to provide information on these in their annual reports submitted to the Registrar General under section 38 of the Act.

In addition, Mr. Speaker, each registered charity will be required to appoint a compliance officer who will be responsible for administering the charity's anti-money laundering systems and controls.

The anti-money laundering systems and controls must enable charities to take appropriate measures on a risk-sensitive basis to establish the identity of donors, beneficiaries and partners and to conduct ongoing monitoring of their relationships with such persons. Registered charities must be able to identify any international transactions separately from domestic transactions and to provide a list and analysis of the international transactions. Any suspicious transactions should be recorded and reported to the Financial Intelligence Agency.

Mr. Speaker, the regulations will require registered charities to maintain records for a period of at least seven years that identify all transactions, but also verify that the funds received have been spent in a manner consistent with the purpose and objective of the charity. Also, a registered charity will be required to have in place systems that will enable it to respond as soon as reasonably practicable to enquiries from the Registrar and Financial Intelligence Agency or a police officer whether it maintains or has continued during the previous seven years a donor beneficiary or partner relationship with any person, and the nature of the relationship.

Mr. Speaker, the regulations require registered charities to provide training for their compliance officers and other relevant officers to ensure that they are aware of the law relating to money laundering and terrorist financing, and to ensure that the anti-money laundering and anti-terrorist financing systems and controls are implemented effectively. It also requires charity officers to disclose any previous convictions for money-laundering or terrorist financing offences.

The regulations make it an offence for charities to fail to adhere to the anti-money laundering and anti-terrorist financing requirements and provide penalties for non-compliance.

In closing, Mr. Speaker, the regulations represent the final piece of our promise to bring forward comprehensive legislation to monitor and control charities, to promote transparency, to engender greater confidence in the charity sector, and most importantly of all to protect the public.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Junior Minister.

Any other Honourable Members care to speak on this?

And the Chair will recognise the Honourable and Learned Member from Sandys South Central, constituency 34—

Ms. Kim N. Wilson: That is correct.

The Speaker: —MP Kim Wilson.

You have the floor.

Ms. Kim N. Wilson: Thank you, Mr. Speaker.

Mr. Speaker, I am pleased to be able to provide a few comments concerning the Opposition's support of this particular piece of legislation. However, I do have a couple of questions that we can get to when we get into Committee.

I think it is no secret that following the attacks in 2001 [of the] World Trade Centre that countries all around the world became more concerned about terrorist financing and activities that may be used to finance terrorism organisations, money laundering and the like, and Bermuda was no exception. In fact, international organisations like the United Nations as well as the Financial Action Task Force [FATF] and the Caribbean [Financial] Action Task Force [CFATF] in which Bermuda is an associate member, all got together and decided that there needed to be a number of recommendations—they refer to them as the “40+9 Recommendations”—for countries to be compliant with taking steps to mitigate against money laundering and terrorist financing. And Bermuda, to our credit, has moved quite hastily to adopt a number of the legislative provisions that are necessary for guarding against money laundering, starting with the Proceeds of Crime Act—

The Speaker: Honourable Member, just before you go on, just so you know, we do not go into Committee. So, you know, you spoke . . . you will need to cover all your points as you . . . yes.

Ms. Kim N. Wilson: All right. Thank you. Thank you, Mr. Speaker.

Starting with the Proceeds of Crime Act and many pieces of legislation following that where Bermuda, in showing our support with other international countries, decided to make sure that we had the relevant legislation in place so that we could best guard against money laundering and terrorist financing.

In fact, a lot of the areas in which our legislation in the last 10 years or so has evolved dealt specifically with areas that were deemed by the Financial Action Task Force as vulnerable areas. Vulnerable areas, such as within the financial services sectors, areas that were also vulnerable for money laundering and terrorist financing within the trust services providing section. And in recent years we have seen legislative provisions that identify vulnerability areas within the legal profession as well, as well as the accountants that provide specified business activities.

So Bermuda has moved quite swiftly to ensure that we were compliant and that we were, in fact, readying ourselves for the 2016 IMF [International Monetary Fund] Country Assessment to ascertain how good Bermuda is insofar as our report card for money laundering and terrorist financing legislation.

So with that backdrop, I am pleased that the Government has identified an area that was identified in Bermuda when we had our last country assessment concerning an area of vulnerability, namely that of

charities. So this legislation goes a long way towards plugging the gap, so to speak, to make sure that we have the vulnerable area of charities covered so that they cannot be innocently used for money laundering and terrorist financing.

Some people might wonder, you know, how exactly could that happen? But in reality when we have organisations, or persons, that are trying to launder their money (which effectively means clean dirty money) then oftentimes we have seen in many other jurisdictions they would make charitable donations to organisations for the purpose of, again, laundering and concealing their money. And some of that money could be illegally gained through female trafficking, drug trafficking, guns, et cetera.

So the fact that Bermuda is taking our responsive roles seriously and making sure that we close an area that is certainly an area of vulnerability and high risk has to be commended. So I commend the Government for furthering the efforts that were started by the Progressive Labour Party Government with respect to enacting legislation to ensure that we best guard against money laundering and terrorist financing.

I do have a couple of questions with respect to the regulations. I guess the first one deals specifically with the cost. And I will note that Bermuda is no exception despite the fact that we generally have a high GDP and the like, but charities do make . . . well, the large percentage of the proceeds that they have to run the services and the initiatives that they have is obviously through donations from the public, which is the essence of the definition of charities.

I guess the question that does concern me is that when you look at the requirements and the duties of a registered charity, such as the provision of a compliance officer—that is going to be an added administrative cost to the charity. The issue concerning the requirement to have to file a SAR—a suspicious [activity] report—again, to the FIA (the Financial Intelligence Agency)—that is going to be an administrative cost to the charity. And there are a number of other provisions, albeit necessary, that will equate to administrative costs, which as we know many charities would much prefer to utilise their funds that they generate for the purposes of providing services and the like.

So I wondered whether or not the Government had considered the provision of any type of service—and by that I mean either via an educational allotment or whatever—for these charities, particularly the charities that are perhaps more cash strapped, that they could be provided with educational support or administrative support as it relates to having a compliance officer. Because some charities only have a few people and the responsibility, I can tell you, of being a compliance officer is a mammoth task, so many charities may find themselves forced to have to hire or retain the services of someone else to actually

do all of the very, very important duties that are outlined in this legislation and that are required by charities. So that is my first concern with respect to that.

And my second concern . . . and perhaps it was read in the brief (forgive me, I could not quite hear what the Honourable Junior Minister was explaining), but the area concerning the provision that allows us to even be here in the first place which relates to sections 38 and 47 of the Charities Act. Now, unless the Bermuda Laws [website] is not up to date (and I would like to think that it is, and no doubt the Honourable and Learned Attorney General can confirm that), this Bill is not even in force yet. So I wonder how we can be here today, presumably passing legislation or an amendment that speaks to the power of doing so under sections 38 and 47 of the Charities Act 2014, which is not yet in force.

Perhaps the Minister can explain that to me—sorry, the Junior Minister—can explain that so that I can understand the process insofar as the power that we have to even consider these regulations when the power of the substantial legislation, the Charities Act 2014, is not yet in force.

And my third question relates specifically to NGOs (Non-Governmental Organisations). We know that there are many in Bermuda and other jurisdictions where they have these entities, these foundations, that are receiving money from private donors. They are not labelled as a charity by virtue of the definition that we have in our Charities Act, but these are foundations that receive monies from you and I or other individuals or other corporate entities. To what extent is the Government looking at insofar as legislating the parameters or the requirements which non-Government organisations are also equally required to have a compliance officer and effectively deal with all the issues that we see within this Bill to help to mitigate against money laundering and terrorist financing?

So, yes, we support this Bill. It does not necessarily go as far as I would like to see, and perhaps the Government can explain at what point we will see legislation that will include non-governmental organisations that will also be required to be compliant with the international best practice and the FATF 40+9 [Recommendations] as it relates to money laundering and terrorist financing.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Member.

Are there any other Members who would care to speak?

Since there are none I am going to ask that the Junior Minister, please . . .

Do you want to speak, sir? You need to be in your seat.

All right. The Chair will now recognise the Honourable and Learned Member, the Minister of

Tourism and Transport from Southampton [West Central].

He has the floor . . . Minister Crockwell.

Hon. Shawn G. Crockwell: Yes, thank you, Mr. Speaker.

Mr. Speaker, I rise just because of the specific questions that were raised by the Honourable and Learned Member who just took her seat as I actually was the acting Attorney General when this matter was approved through the Legislative Council.

The answer to the question as to how we can be dealing with regulations whilst the primary Act has not yet been brought into force is addressed in the Interpretation Act 1951, section 34, which is entitled “Exercise of statutory power between passing and commencement of Act.” Section 34 of the 1951 Interpretation Act provides the authority for us to be doing what we are doing here today; and the Honourable and Learned Member can have sight of that. So I just wanted to clarify that, Mr. Speaker.

Thank you.

The Speaker: All right, Honourable Minister. Thank you so much.

Any other Honourable Member care to speak before the Junior Minister replies?

The Chair will now recognise the Junior Minister, Minister Sylvan Richards.

You have the floor.

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

Mr. Speaker, the Honourable Member asked a question regarding cost, the provision of a compliance officer, and, as a jurisdiction, whether or not we have to . . . we will be compliant. There is no fee to hire a compliance officer. There is no cost to file a SAR’s report. Appointed compliance officers will be provided training for free by the Centre on Philanthropy. And some of the additional costs that may be incurred by charities . . . there are prescribed annual fees for charities and they are set based on the income of the charity. So, for example, charities with an income under \$35,000 will pay a \$100.00 fee to register as a charity. Charities with an income over \$35,000 but under \$450,000 will pay a fee of \$250.00. Charities with an income over \$450,000 will pay a fee of \$400.00.

And to give you some statistics currently 46 per cent of the charities having annual income under \$35,000—excuse me, 46 per cent of charities have annual incomes under \$35,000—40 per cent have income over \$35,000 and under \$450,000; and 14 per cent have income over \$450,000.

So there will be some cost associated with charities becoming a registered charity. But as a jurisdiction, as the Honourable Member mentioned earlier, we have to be compliant. And there will be a follow-up

ordered by the IMF next year in 2016, so these regulations are the final piece of the puzzle in getting Bermuda prepared and ready for this audit where we will be made internationally compliant.

The Speaker: All right. Thank you, Honourable Minister.

MP Wilson did you . . . ?

Ms. Kim N. Wilson: That was a little bit confusing, that last section, but I guess back to my question.

If 46 per cent of our (if I heard it correctly) charities have an annual intake of \$35,000 or below (and I appreciate that there is a fee to register) . . . however, I beg to differ insofar as there being a cost associated with a compliance officer because some of these charities may very well, in fact, decide to opt that position out and hire a compliance officer to deal with these issues.

But I am very pleased to know that the Centre on Philanthropy has stepped up to the plate and that they will be providing the training for the compliance officers because that is going to be a critical element because when you look at the penalties, and granted there is the provision about taking reasonable steps, however, summary conviction is a fine of up to \$50,000! And we have just heard 46 per cent of these charities—

The Speaker: Don't make that much.

Ms. Kim N. Wilson: —do not even make that much. So the penalties are quite severe, not to mention that they are penal in nature and that they could amount to criminal convictions.

So I applaud the Centre on Philanthropy for volunteering to provide the necessary training that will necessarily form a part of this. But in addition to that (because I believe they are a charity), what oversight (I guess) will the Government provide to make sure that the training with respect to the compliance officers that are issued by the Centre on Philanthropy (who I believe if they are not a charity, then they are a foundation) will make to ensure that they are providing the right information. There are 40+9 Recommendations—it is very, very mammoth—and there are a number of requirements that we see in the Act insofar as systems and controls and et cetera and it is not something that is an easy . . . it is not an easy process.

So if the Centre is providing the training for these charitable compliance officers, what Government entity . . . and I guess it is the Registrar, but I will ask the Junior Minister to find out. Who is going to make sure that the Centre on Philanthropy is familiar with the international standards and the requirements in reference to compliance officers as it relates to systems and controls? Because the international standards speak to, for example, training and recordkeep-

ing which we see in this Bill. So whoever is sitting at the front of the charity, and if it is a charity of five people, all five of those people, have to be trained in identifying and being able to mitigate against money laundering. Who is going to make sure the Centre on Philanthropy is going to be doing their job right?

I certainly hope, particularly in light of our 2016 review that is coming up, that the Government is not going to step aside and say, *Well, we'll allow Centre on Philanthropy to make sure that all the charities are compliant . . . that their compliance officer understands what they are doing.* Because this little piece of paper, which albeit is extremely important, the regulations that are required under the Financial Action Task Force that relate to the provisions that we are agreeing now are mammoth. I just want to make sure that if we are going this route that we have all the checks and balances and the infrastructure in place, so that we will be able to satisfactorily tick the box when this part of the review takes place in 2016.

Thank you.

The Speaker: Thank you, Honourable Member.

I now recognise the Junior Minister Sylvan Richards.

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

To answer the question, the Centre on Philanthropy has provided the Government with views on how legislation might affect their members. There will be information sessions held for members dealing specifically with compliance with the Act and regulations, and some of these have already been scheduled. There is a training session on compliance that will be held on Monday, December the 1st; another will be held on Monday, December the 8th, and then there is a third to be held on Thursday, December 11th.

It is important to recognise that the Government is in partnership with the Centre on Philanthropy. Oversight, to answer this question more specifically, is provided by the Registry General Department and the Financial Intelligence Agency. So it is a collaborative effort and the oversight on the part of Government will be there, and the Centre on Philanthropy will be doing their part to train up the charities, whether they be large or small, on what they need to do in order to comply.

The Speaker: Thank you very much. Thank you, Honourable Member.

Right. It is, you know, you have . . . we have exhausted . . . but did you want to ask another question?

Ms. Kim N. Wilson: Is there a limit on the regulations—

The Speaker: On regulations you only speak once, really.

Ms. Kim N. Wilson: Oh, really?

The Speaker: Yes. You only speak once. I gave you . . . I gave you a little leeway because there was—

[Crosstalk]

The Speaker: Honourable Member—

[Laughter]

Ms. Kim N. Wilson: A little bit more wiggle room?

The Speaker: There was a little leeway that I gave you because I saw that there was something that you wanted to get out.

Ms. Kim N. Wilson: All right.

The Speaker: But I have given enough leeway I think.

Ms. Kim N. Wilson: Thank you very much.

The Speaker: So if you would just close, Honourable Member.

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

I move that the draft regulations be approved and that a message be sent from this Honourable House to His Excellency the Governor.

The Speaker: All right. Thank you, Honourable Member.

It has been moved that the regulations be passed and a message be sent to the Governor.

Are there any objections?

There are none.

So a message will be sent to the Governor.

[Motion carried: *The Charities (Anti-Money Laundering, Anti-Terrorism Financing and Reporting) Regulations 2014 was considered by the House and approved.*]

The Speaker: We now move to Order No. 4, which is the consideration of Government Fees Amendment (No. 5) Regulations 2014 in the name of the Minister of Finance.

Minister Bob Richards, you have the floor.

REGULATIONS

GOVERNMENT FEES AMENDMENT (NO. 5) REGULATIONS 2014

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

With the Governor's recommendation and in accordance with section 36(3) of the Bermuda Constitution I move that consideration be given to draft regulations entitled the Government Fees Amendment (No. 5) Regulations 2014 proposed to be made by myself, the Minister of Finance, under provisions of section 2 of the Government Fees Act 1965.

Mr. Speaker, I move these regulations entitled the Government Fees Amendment (No. 5) Regulations 2014 be now read a second time.

And Mr. Speaker, the Government Fees Amendment (No. 5) Regulations 2014 represent the policy directives outlined in the Spectrum Policy Statement that was issued on September 22, 2014 by the Minister of Education and Economic Development, who has responsibilities for telecommunications.

This Statement provides management policies that the Regulatory Authority of Bermuda must now follow with respect to the allocation and assignment of radio frequencies and the levying of spectrum fees.

Mr. Speaker, the Electronic Communications Act 2011 provides for the establishment of Government authorisation fees of spectrum licences. On the recommendation of the Regulatory Authority and after consultations with the affected service providers, the Minister responsible for Telecommunications proposes to introduce an incentive pricing scheme for those bands of the radio spectrum that are considered to be in high demand. This spectrum is consistent with the economic and technical efficiency objectives as outlined in the Electronic Communications Act and also adheres to the pricing guidelines.

Mr. Speaker, the structure of the proposed fees is to include a reference rate qualified by a specified percentage of that rate in respect of each of the assigned bands of the high demand frequency spectrum. The recommended value for the initial reference rate is \$12,500 per megahertz of assigned frequency, where one megahertz is the universal standard unit of measure for radio frequencies.

Mr. Speaker, the Government Fees Amendment (No. 5) Regulations 2014 represents amendments to the following fees: that will be Head 24, Electronic Communications Act 2011; the radio frequency spectrum annual fees proposed to be paid by any communications operator holding an operating licence that has been assigned a portion of the radio frequency spectrum by the Regulatory Authority are:

- for the 700 megahertz band, 100 per cent of the reference rate (which translates to \$12,500);
- for the 850 band, also 100 per cent of the reference rate (\$12,500);
- for the 1900 megahertz band, 78 per cent of the reference rate (which is \$9,750);
- for the 2100 megahertz band, 39 per cent of the reference rate (which is \$4,875);

- for the 2500 megahertz band, 33 per cent of the reference rate (which is \$4,125); and
- for the 3500 megahertz band, 3 per cent of the reference rate (which is \$375).

Also, Mr. Speaker, if an initial assignment of frequency spectrum occurs during the calendar quarter, then the initial fee payable shall be prorated by the number of the days remaining in that initial quarter.

The effective date of the radio frequency spectrum fee shall be January 1, 2015. And the fees are to be paid by quarterly instalments in arrears.

Finally, Mr. Speaker, in recognition of the capital investment required for a new entrance into the market the Minister further proposes that the spectrum licence fee for new entrants be deferred for a period of six months after the licence has been issued, or until such time as the wireless service is operational, or whichever of the two periods is shorter.

Mr. Speaker, it is envisaged that the new fees mentioned above, based on the current allocation of spectrum, will generate annual revenues of approximately \$1.9 million for the Government. Further, it is anticipated that once all spectrum assignments are allocated the new fees will generate annual revenues to the Government in the region of \$2.5 million.

Thank you, Mr. Speaker.

The Speaker: Thank you, Minister.

Any other Honourable Members care to speak?

The Chair will recognise the Shadow Minister of Finance, MP David Burt.

You have the floor.

Mr. E. David Burt: Thank you very much, Mr. Speaker.

Mr. Speaker, in reviewing these amendments the Opposition has no objections to the amendments which have been put forward. Knowing that the Minister responsible for telecommunications will speak after me, there are, however, some challenges with this spectrum allocation, and I would like to take this opportunity to discuss some of those things because it is reasonably important.

I thank the Minister for providing his brief and for stating the amount of money it is expected to raise for the Treasury. I was hoping the Minister could, in any way, shape or form when he responds, go about how these amounts were determined. How was it decided that this was the appropriate level? Was there any thought that was possibly given to the auctioning of any type of spectrum space which we have here in Bermuda? And finally, [does he have] any thoughts or comments, I guess, to the (how would we say?) divestiture of some telecommunication firm which seemingly holds a monopoly on spectrum in certain instances?

When I speak of that, Mr. Speaker, I refer specifically to [clause 2, item (2)](b) which talks about the 850 megahertz band of spectrum. And when we talk about the 850 megahertz band of spectrum, this is spectrum which is typically used by cell phones, it is stuff that is used for 4G communications, and it is one of the most coveted bands.

After the merger of M3 Wireless and CellularOne (which both had allocations in the 850 megahertz band), that company now owns 100 per cent of the spectrum inside of that band, which means, seeing that that is the best and most coveted spectrum, that they have a monopoly on something that exists. So I guess the question overall relating to this is: How is the Ministry or the Regulatory Authority going to deal with this particular matter? especially given that this side of the House, when we were the Government, stated that there needed to be some divestiture because it would not make sense for both of them to have all of that spectrum. So we would certainly like clarification on that particular instance there.

And just so I can just clarify because I am . . . with the \$1.9 million that is earned, if a company—for instance a cell phone company, like Cell[ular]One nowadays—has 100 per cent of the 850 megahertz band, are they only paying \$12,500 per year? Or are they paying \$12,500 per year for each percentage of which they own? That would be the question because, of course, the \$12,500 would not necessarily be a very prohibitive measure, and one would say that they could just absorb that cost and continue having the monopoly of the 850 megahertz spectrum, which they have.

But overall, Mr. Speaker, the Opposition is in support. It is something that the Opposition was looking to put in place; certainly, it is something that is just the continuation of the regular system. The way that Government works, you know, things are proposed by entities, brought to the House, and done for regulation. But there is a very serious point in regard to [clause 2] in item [(2)](b) and the question on the monopoly that is currently being enjoyed by Cell[ular]One right now, on the 850 megahertz spectrum.

Hopefully, when the Minister of Economic Development does speak he can also answer my question, because I would yield to the Minister of Finance (but he is not here) . . . can yield to my question in regard to . . . is it just the \$12,500 or is it the \$12,500 per each percentage, and forgive me if my reading is slow.

Thank you very much, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Any other Honourable Member care to speak?

The Chair will recognise the Honourable Member from constituency 15, the Shadow Minister of Public Safety, W. H. Roban.

You have the floor.

Mr. Walter H. Roban: Thank you very much, Mr. Speaker.

I perhaps have a couple of similar questions to [those of] my honourable colleague that just took his seat. I am curious as to why this particular way of allocation or, sort of, deciding on this matter of spectrum was done and, perhaps, why an auction which seems to be one of the more commonly done international practices with spectrum allocation was not chosen and it was felt that essentially an effort to [use] a sort of benign, I guess less assertive, redistribution process would go on with the re-spectrum allocation.

I mean, clearly, this has been an interest of . . . to be done [for] some time because many years ago when spectrum was issued, it was basically done for free with no real payment by those in the early days of, I guess, wireless communications. It was done then. But the world has changed since [then] and it has become a more competitive environment as to how it is done.

So I am curious as to why the Government chose this way rather than sort of having an auction, which (as we have seen in other jurisdictions) has ensured substantial earnings to Government because the view is that spectrum belongs to the jurisdiction, it is not the ownership or private property of anyone. And there are certain international provisions that govern that.

Of course, if it is going to be the role of the Minister responsible for telecommunications to speak on this, perhaps he can give us some clarity as to which bodies have . . . what their allocation is as to which companies in Bermuda have some of the different allocations of spectrum that have been listed here. That might be interesting to know because we are venturing into a whole new era of how spectrum is going to be handled in Bermuda. So knowing who has what right now might be a good idea to understand as well.

Also, does the issue that my honourable colleague brought up about the particular monopoly of one spectrum area, in itself clash with the issue of dominance? which is an area that the actual regulator is supposed to govern and manage. And is that going to be dealt with as we go on in the future? Because I think some of the reasons why the Regulatory Authority was brought up was to eliminate the situation that we find with one company, due to certain changes, dominating certain aspects of our telecommunications infrastructure. So I do hope that perhaps we will get some clarity on these.

As the Honourable Shadow Finance [Minister] has said, there is no objection because this is all part of the process that was started some time ago with changing our telecommunications environment, and particularly the issue of spectrum which was an ongoing challenge being addressed. So we do not want to go against that, but there are certainly questions that we would like to have answered.

Thank you.

The Speaker: Thank you, Honourable Member.

Any other Honourable Member care to speak?

Oh, okay. The Chair is going to recognise the Minister of Education and Economic Development, Dr. Grant Gibbons.

You have the floor.

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker.

Mr. Speaker, as I guess, under the Electronic Communications Act and the Regulatory Authority Act, I have some responsibility for this, and the Minister of Finance has responsibility for fees. I thought I would try and answer some of the technical questions which have just been asked.

Let me start by saying that Honourable Members are quite correct that up until this point spectrum—radio spectrum—which was clearly a natural resource, was not charged for. So this has been a departure, at least for Bermuda; but it is a custom and practice that exists in most other countries. Radio spectrum is considered to be a resource owned by the public and, therefore, it is only natural that there should be a fee by those who are using it to use particular allocations in the radio spectrum.

Honourable Members, particularly my honourable colleague, also referred to a Spectrum Policy Statement which was issued in September, but actually goes back a number of months to April of this year when a draft policy statement was put out for consultation. And I would encourage Honourable Members, particularly on that side, to have a look at the Spectrum Policy Statement because it addresses a lot of the questions that they are asking. And the purpose of putting it out in April was to give both the providers, that is, the telecommunications providers (some of the names that have been mentioned . . . Digicel, Cell[ular]One, et cetera), the opportunity to comment both from a technical and perhaps a commercial perspective on this Spectrum Policy.

The Spectrum Policy dealt with effectively three issues, Mr. Speaker, and if I may (I think this is useful background so people understand what we are talking about here), that was the scope of the spectrum, because radio spectrum has quite a large scope in terms of the extent of the frequencies that are covered, but the spectrum really only dealt with what are referred to as high demand spectrum. And in many respects that parallels what some of the cell phone providers are using these days.

Mr. Speaker, you will be aware that there has been a fair amount of discussion about things like putting up extra cell towers, issues of reception, and things of that sort. And the reason we are looking at what is called “high demand spectrum” is because—exactly that—it is in demand. And there are certain sections of the radio spectrum which are more useful.

They have better ability to be able to penetrate buildings. Sometimes they have better ability to be able to handle capacity in terms of the amount of information that they actually provide, whether it be voice or data or things of that sort. So there are technical reasons why the high demand spectrum is very interesting these days.

So the first issue was the issue of what part of the radio spectrum would be dealt with by this [Spectrum] Policy, and the answer very simply is, it is referred to as the "high demand spectrum." And this is not a Bermuda term, this is a term which is used in other places like the United States with the FCC and, indeed, in Europe and the UK as well.

The second part of the Spectrum Policy was how we deal with actually assigning the spectrum. And that is a matter under the Electronic Communications Act for the Regulatory Authority to do that. So the Minister or the Ministry responsible for telecommunications comes up with (as it were) the Government policy as to which part of the spectrum and how that spectrum will be addressed, but it is up to the Regulatory Authority as an independent body to figure out who is going to get what parts of the spectrum.

And the third part of the Spectrum Policy, Mr. Speaker, is this principle that we are now going to start charging for the use of this public or natural resource. And I am going to go back and try now to address some of the questions that Honourable Members on that side have asked because they fit directly into these three parts of the Spectrum Policy.

And as I said, one of the things that I would suggest to the Honourable Members on that side, and indeed, the public if they are interested, is to have a look at the Spectrum Policy because it sets out in quite a bit of detail not only what the original proposals were in terms of the policy, but the discussion that came back and the comments that came back from some of the providers as to what they did and did not agree with on everything from the issue of caps on the amount of spectrum that could actually be allocated to a single provider, and also the question of how much we should be charging for the use of this spectrum on a per megahertz basis.

So let me come back, I think, to the Honourable Member who speaks for Finance on that side, one of the first questions he asked in terms of his comments about, he had challenges, as I understood it, with the allocation, What was the appropriate level of fee? And the appropriate level of fee, as my honourable colleague, Mr. Richards, has said, is going to be based on a per megahertz basis, and that is on an annual basis. The so-called "reference fee" is basically \$12,500 per megahertz. So if you have 100 megahertz, it is going to be a hundred times that. And that is the way the fee will be charged.

Now, there is a little bit of additional complexity in this . . . getting back to this issue of what is high demand and what is not. In terms of the demand of

the spectrum we are talking about, it stretches from 700 megahertz all the way up to the 3500 megahertz band. And within that band there are some areas which are more desirable than others. And the way the [Spectrum] Policy has approached the issue of pricing is we have looked at what was done in the United Kingdom, which is they did quite a bit of work on this and they looked at what was the more valuable bands. So, in essence, the 700 megahertz band and the 850 megahertz band are considered to be the most valuable, so they were at 100 per cent. So for each megahertz there per year it is \$12,500, depending on how many megahertz are in the band to which you will eventually be assigned by the Regulatory Authority. As you go down to the 1900, the 2100, and out to the 3500 that percentage decreases from 100 per cent all the way down because those are considered to be important bands, but not quite as valuable as the 700 megahertz band or the 850.

Let me just make another point here which I think Honourable Members may be aware of. Because of the change from what is known as analogue technology for television to digital technology there has been what is known as the "digital dividend," which is, some of the spectrum has actually been freed up. So we are currently in the process of working with WOW who uses the 700 megahertz band to shift them off that and into a different part of the spectrum. That will free up the 700 megahertz band which is expected to be completed sometime in the beginning of next year. They have to make some equipment changes and all the rest of it. They are being very good Bermuda citizens here and have agreed to do this. The Government will pay for the *cost* (there is no margin there, but for the *cost*) of that particular move. But, in essence, we get back a very valuable piece of the spectrum, which is the 700 band. And that will then be freed up to be allocated by the Regulatory Authority to other telecommunications providers.

So the next question, which I think was being asked, was, How did the [Spectrum] Policy come to, as it were, a decision or a landing point as to whether the spectrum should be auctioned off or some other method should be used? And the answer to that is that in the Policy Statement it explains that, yes, indeed, in some jurisdictions auction is a way to do that. We took a slightly different perspective here and it is what is referred to as a "hybrid approach," which is kind of a combination of first-come, first-served for those frequencies which are not in high demand, and a comparative selection process which the Regulatory Authority will do independently for those that are in high demand. And that will be based on an application as to why that particular provider should get a particular band. So that was the approach.

Part of the reason for not going with an auction was the simple consideration that in other jurisdictions where auctions have taken place, it is the person with the deepest pockets that gets the particular band.

And oftentimes prices go up. I had to restrain the enthusiasm of my colleague, the Minister of Finance, here, but oftentimes prices go up to such a level where in the end the charges that need to be able to cover that in terms of what customers pay and what needs to be done to pay that auction fee back are so high that it becomes almost difficult to operate and to provide a quality of service.

So in a small place, which is what we are, we took what I will call a more comparative approach and we have decided that we will let the Regulatory Authority effectively allocate the bands on the basis that is set out in the Spectrum Policy here. So that was the reason we did not go with an auction approach. There are other reasons, and, Mr. Speaker, I do not think you want me to get into all of it, but that is set out in the Policy document. And I think Members can see also there the comments that came back from some of the providers and other members as well.

So getting back to the question now of this issue of hoarding, one of the reasons that the spectrum allocation is also sensitive is because, as the Honourable Member said, back in, I think it was, 2011 with the merger of M3 and Cell[ular]One, all of a sudden Cell[ular]One had technically an entire band, and that is essentially the 850 megahertz band. In effect, they are controlling a large part of the spectrum there. So part of the Policy Statement put in place what are known as “caps” and these have existed and do exist in other places as well, which effectively say that the Regulatory Authority is not going to allow a single provider to have an entire band, that there should be at least the provision for two or more to be able to basically use a band.

So, in essence, what has happened was all licences for spectrum expired on the 29th of October and we now are working in an interim licence and we will be working on this issue of the Regulatory Authority . . . working on the issue of the Spectrum Policy, which is there is a 50 per cent cap in place for a particular band. And they will deal with this issue of who gets what band. In essence, Cell[ular]One, to the best of our information, was not using about 85 per cent of that 850 megahertz band in any case. They were hoping to use the rest of it for a new service. But they have been sitting on a particular part of that band for some years now. And I think had the former Government moved to address that issue it would have been dealt with before now.

But the Spectrum Policy and the Regulatory Authority will address that particular issue, which is one provider having an entire band there, and there will be, presumably (I will not call it a divestiture), a re-allocation of bands. That is not my decision, Mr. Speaker, that is not the Government's decision; that will be the decision of the Regulatory Authority as an independent group. So I think, hopefully, that answers that particular issue there as well. And I think we hope to be able to sort that out in the next year or so.

I do not have with me right now, Mr. Speaker, a list of all the providers and all the bands that are currently occupied. If the Honourable Member would like that, I am sure we can get that for him. In fact, it may even be up on the RA website, but—

[Inaudible interjection]

Dr. the Hon. E. Grant Gibbons: Okay. Actually, I have it here. I will give it to the Honourable Member—it is quite long and rather than read it out—if that is okay. Thank you.

So let us see . . . the other issue that I wanted to touch on . . . I have touched on the issue of caps under the Policy . . . I also wanted to touch on the aspect of if we are, as my honourable colleague Mr. Richards says, if the Government is raising \$1.9 million, if the current spectrum allocation as it exists right now were charged for, we expect to raise more than that, as he noted, up to something like \$2.5 million after the re-allocation occurs. But, obviously, what is going through probably a lot of people's minds and customers of some of the cell phone companies is, *Will I get this charge passed on to me?* And I will simply say that it is the Government's expectation right now, as well as the Regulatory Authority, that this fee will not be passed on to the consumer, and that as these companies are (I will just say this very delicately) doing very well, thank you, in terms of the margin they are making, it is the expectation that this fee will not be passed on, this will be absorbed by the companies out of their current margin and profitability. So the public should not expect to see this as a jump in their service charges.

I think, Mr. Speaker, that addresses at least most of the questions that, as I understood them and that I wrote down. But with that I think, Mr. Speaker, we are now moving into a different era and I think not only will the Government benefit by this, but I think there is also, as the Minister said, the opportunity for increased competition and more efficient use of this very important natural resource, which is the radio spectrum.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Minister.

Any other Honourable Members care to speak?

Then I will go back to the Minister.

Minister Richards, you have the floor.

Hon. E. T. (Bob) Richards: Thank you, Mr. Speaker.

I would like to have these regulations now approved and a message sent to His Excellency the Governor.

The Speaker: All right. Thank you, Honourable Minister.

It has been moved that these regulations be approved and a message be sent to the Governor.

Any objections?

There are none.

So that will be done.

[Motion carried: The Government Fees Amendment (No. 5) Regulations 2014 were considered by the House and approved.]

The Speaker: Thank you, Minister.

From what I have been made to understand all other matters are carried over.

And I move now to the Premier.

Honourable Premier?

Hon. Michael H. Dunkley: Mr. Speaker, I would like to do Third Readings.

The Speaker: Ah, yes, the Third Readings. Excuse me.

SUSPENSION OF STANDING ORDER 21

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

I move that Standing Order 21 be suspended to enable me to move that the Bill entitled the Fire Safety Act 2014 be now read the third time by its title only.

The Speaker: Are there any objections to that?

There are none.

[Motion carried: Standing Order 21 suspended.]

BILL

THIRD READING

FIRE SAFETY ACT 2014

Hon. Michael H. Dunkley: Mr. Speaker, the Fire Safety Act 2014.

I move that the Bill do now pass.

The Speaker: Thank you, Honourable Member.

All in favour?

AYES.

The Speaker: There are none against.

Thank you, Premier.

[Motion carried: The Fire Safety Act 2014 was read a third time and passed.]

The Speaker: Premier?

ADJOURNMENT

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

I move that we now adjourn.

The Speaker: Thank you, Premier.

The Chair will recognise the Honourable Member from constituency 17, the Shadow Minister of Immigration and External Affairs, MP Walton Brown.

You have the floor.

WORK PERMIT POLICY

Mr. Walton Brown: Thank you, Mr. Speaker.

Mr. Speaker, I would like to address two issues this afternoon in this early start on the motion to adjourn, and that is the issue of immigration, immigration policy; and the intentions of the Government with respect to the redevelopment of the airport.

Mr. Speaker, immigration policy and work permit policy have always been immersed in challenging decisions and controversy. We have had a very challenging time this year—or actually the last two years, Mr. Speaker, in terms of the changing immigration policy under the OBA Government. We have seen a move away from strong electoral commitments with regard to term limits and other matters.

And then earlier this year, Mr. Speaker, we received a draft Work Permit Policy by the Honourable Minister responsible for Immigration who sits in another place. We were told that the draft Work Permit Policy was a result of substantial and expansive discussions, negotiations and deliberations. We were told, Mr. Speaker, that there was wide consultation and that there was careful consideration to the development of new policy.

If you look at the fundamental mission of the Ministry that has responsibility for Immigration, Mr. Speaker, you will note that one of the cornerstones of their work is to ensure that Bermudians have a place of priority in their country. That is contained in part of the overall mission of the Ministry. And so it is a matter of great concern for the public, Mr. Speaker, that we have a new Work Permit Policy being developed that appears not to have had the benefit of the input of wide consultation. Because you know it is one thing to consult; it is something altogether different to respond to, acknowledge, and have that woven into your new policy, the benefits of that consultation.

So this new Work Permit Policy that was proposed, Mr. Speaker, has some very challenging components to it, challenging components that put into difficulty the quest for opportunities by Bermudians for jobs in what is clearly a very tight marketplace.

For the sake of this Parliament, Mr. Speaker, and for the benefit of the public, it is necessary to say that on this side of the House we support policies and initiatives that strengthen the economy. We support work permit policies that give opportunities and flexi-

bility to new companies. We want to see those policies in place. But Mr. Speaker, there has to be, as we have always said, an appropriate balance in the implementation of any new policy. And what the new proposed Work Permit Policy failed to do, in our view, Mr. Speaker, is adequately consider the implications of the new Work Permit Policy for Bermudians.

One of the more egregious components of the proposed new policy was the Bermuda Employment Visa [BEV]. When that was first put forward, the Opposition made a very firm comment . . . took a very firm position that the BEV was problematic in its concept, because what you would do is you would grant a company the ability to have 20 per cent of its job categories removed from work permit control. It is almost incredible that that could even have been contemplated because the obvious approach would be that you would see a company cherry-pick those positions they wanted to keep beyond work permit control and you would have effectively created a glass ceiling which would have denied Bermudians opportunities to advance.

We made this point. And, Mr. Speaker, I have made a number of overtures to the Honourable Minister responsible for Immigration to try and sit down to come up with a collaborative approach to immigration policy, because we want to see companies have the flexibility to grow and expand. We have said on many occasions that you cannot say to someone, *We want you to invest \$10 million in a company, but you can't pick some of your key executives*. Of course, no one is going to invest under those circumstances. So there has to be a level of flexibility. But the Bermuda Employment Visa was one that was always problematic.

So we are very pleased, Mr. Speaker, to see that the international business sector through ABIC (the Association for Bermuda Insurance Companies) has made representation to the Government that they identified severe problems with the BEV. So we are happy that ABIC has come to the position that we took when the proposed Work Permit Policy was first delivered. So that is a sign of progress, Mr. Speaker.

The Governor has now decided, very wisely, to withdraw that, and if I heard correctly and if I read correctly this morning, the Honourable Minister's comment to the public was that the proposed implementation of December 1 for the new Work Permit Policy will be deferred to a later date, but that there was an absolute assurance given to the public that the Bermuda Employment Visa will not form a part of the new policy when it comes out. And so that is a very positive step forward, and we are happy to say and to see that the Government has heeded the concerns expressed.

[Inaudible interjection]

Mr. Walton Brown: Well, you know, I hear on the other side, Mr. Speaker, that that is the benefit of con-

sultation. But if you had consultation, it would never have been put in it in the first place.

[Inaudible interjections]

Mr. Walton Brown: Well, you know . . . if there was a genuine effort—

[Inaudible interjection]

Mr. Walton Brown: My honourable friend—

[Inaudible interjection]

Mr. Walton Brown: My honourable friend, the Honourable and Learned Member, Mr. Crockwell, says there was extensive consultation.

But Mr. Speaker, on this side of the House we got one or two votes at the last election, so we represent half the people in this country, half the voters. So if you are genuinely interested and sincere about consultation then consult with the people. We are half the voting population. How can you have consultation by ignoring half the population? It is selective consultation. And selective consultation gets you flawed policy. So that flawed policy has now been removed and I will commend the Government for stepping back away from the employment visa.

Now, there is something else that I would encourage the Minister and the Government to reflect on. For more than 15 years, Mr. Speaker, we had a policy in place which said that if you are bringing in foreign entertainment . . . there is no prohibition on bringing in foreign entertainment. If you are bringing in foreign entertainment you need to give consideration and employment to Bermudian talent. That facility, that initiative, worked for many, many years. I never heard anyone criticise it publicly. No one criticised it publicly.

But now we have a new Work Permit Policy which says that [policy] no longer exists because all a prospective employer of a foreign act has to do is apply for a work permit. There is no responsibility on the part of that company or entity to hire any local talent. You know, we have tremendous local talent in this country. All you need to do is go around to a few places that have live music and you will see the abundance of local talent. So I would encourage the Government to re-think the proposed new Work Permit Policy as it relates to local entertainment.

Why would you have a policy which does not take them into consideration when for 15, 20 years or more that policy was in place? You did not hear any criticism on that policy. In order for the Minister to have changed the policy, someone had to get to him. But it was not part of any public consultation, because you would not change something without any kind of input (I would like to hope not). So what was the impetus behind that change? I am hoping the Junior Minis-

ter will address it at some point, but I think that is a very flawed policy, Mr. Speaker.

Now, before any of these comments get interpreted as being against the growth of the economy, and so forth, let me reiterate that we want to see companies have flexibility, but a Government has a responsibility to strike the appropriate balance. This is not “Bermuda, Inc.” as the term was once quoted by a famous, one of our more illustrious, former Finance Ministers and Premiers. We are not “Bermuda, Inc.” We are not a company. We are a society governed by a party that won in a democratic election. So you have a responsibility to cater to a broader set of interests, not just the interests of one little group.

So, Mr. Speaker, I would encourage the Government, let us collaborate. We have demonstrated a level of collaboration today. We have delayed two Bills because we are going to talk about it some more. So if we can do that in this House on two pieces of proposed legislation, why can we not do it on Work Permit Policy? Why can we not sit around and do that?

Now, Mr. Speaker, let me move on because I probably only have 30 minutes left. Let me talk about the—

[Laughter]

The Speaker: Right.

[Laughter]

AIRPORT MOU

Mr. Walton Brown: —the airport.

We on this side stand firmly against privatisation, and we do it not just for ideological reasons, Mr. Speaker. We do it for practical on-the-ground reasons.

Here is what I have trouble understanding, and maybe we can get some enlightenment today from the Honourable Finance Minister. We need a new airport—everyone agrees. Everyone agrees that we have a challenging financial situation, if I can use those words, Mr. Speaker. But in order for it to be re-developed we need partnerships to do so. The Government’s position is, *We do not wish to carry any debt on our books and so we are going to outsource it to a company that will allow us not to have any additional debt on our books.* But the company and the entity which undertakes it will certainly not do it for charitable reasons. It is a commercial venture. And so there will be a revenue stream generated and this company will clearly have looked at the financial forecast and said, *You know, we can do it and make money off of it.* And they will make substantial money off of it.

So my question for the Government is, Mr. Speaker, If you accept that privatisation can provide the financing for the airport, and if you accept that the entity that will operate it will make substantial profits

off the revenue stream that is generated, why would you not contemplate having a structure that allows for it to be locally owned and managed so that the profits that are generated stay on the Island? Because you can be assured that CCC or ABC—whichever company gets it—that money is going to go overseas.

[Inaudible interjection]

Mr. Walton Brown: I know.

The money is going to go overseas.

So why not look at ways in which this abundant revenue stream—a guaranteed revenue stream (we do not know the value necessarily, but we know it is guaranteed)—and consider a way in which it can be done so that the profits can come back to the Bermudian people? Privatisation is transfer of wealth. So why would you want to send the money to a private entity when it could benefit the public and could benefit the country?

I would encourage the Government, just as you have taken a step back from the Work Permit Policy, step back [and] let us try to figure out how it can be done so that we can create a new airport—which we need—and have a large chunk of that money, or the profits at least, come back to benefit the country, because a 30- or 35-year lease represents a loss of control, but also a loss of revenue.

If it can be done by an overseas entity, then surely it can be done locally. And when I say done locally there are a variety . . . the Finance Minister is a very intelligent man, Mr. Speaker, there are a variety of models that one could pursue to finance it. And, yes, it would mean, if it is done by the Government, there is additional debt on our books. But if the revenue stream is so significant, not only would we be able to pay down the additional debt on a regular and consistent basis, but you would also generate a profit from that which can benefit the people.

And so I would encourage the Government, do not be so ideologically committed to privatisation when there are clear workable models of government-controlled entities running operations on a for-profit basis for the benefit of the people. And you know what is so intriguing, Mr. Speaker? The company that the Government has entered an MOU with—the Canadian Crown Corporation—

[Inaudible interjection]

Mr. Walton Brown: [Canadian] Commercial Corporation . . . it is a wholly owned entity of the Canadian government.

So here you have a for-profit entity engaged in a relationship with Bermuda. They, in fact, reflect the model that we could possibly be looking at—an owned entity of the Canadian government—100 per cent owned, but set up to make money. So why could we not consider that as a way in which we could ad-

dress some of these issues with regard to the redevelopment of the airport?

Mr. Speaker, the airport represents our greatest asset—one of our greatest assets, next to our people. So they must have a responsibility to try to find a way that we do not see a siphoning of funds out of this country over a 35-year period.

And with that, Mr. Speaker, I will take my seat.

The Speaker: Thank you, Honourable Member.

The Chair now recognises the Honourable Member from constituency 13, Devonshire North Central, MP Glenn Blakeney, the Shadow Minister of the Environment and Infrastructure.

You have the floor.

WORK PERMIT POLICY

Mr. Glenn A. Blakeney: Thank you very much, Mr. Speaker.

I fully concur with my colleague who just took his seat on just about everything that he said. And notwithstanding the climbdown by the Government on their Work Permit Policy today, which is commendable, I want to focus on the entertainment side and in so doing declare my interest. Because you know I have made a very serious commitment to entertainment in the country, not just through live events promoted, but also through recorded music, because I certainly feel that the talent is indeed here [that] could be developed to the degree that there is a sustainable existence for entertainers through the recording industry globally, particularly with the technology, the way it is now, where you do not need to depend on one person liking your music and then negotiating a distribution deal. By way of the electronic medium as a platform you can pretty much market your own product after developing it in a recording process.

I find it very, very hypocritical for there to even be the consideration of relaxing what has worked, for the most part, when there have been honest brokers engaged in the game of employment of entertainers in that particular industry. Because we just heard today congratulatory remarks sent to various entertainment entities, not the least of which was the Premier's Concert, where everyone who spoke to that commended the level of local entertainment. We have heard the Premier and others also stand on their feet in this Honourable House and commend the performances they had witnessed upon supporting, through their attendance, productions put on by such groups as Troika.

So it is incredible to know that we have the ability to farm talent in this small Island that is worthy of the kind of accolades that are given by Honourable Members in this House, but on the other side of the coin they are prepared to bring competition into the equation without there being mandated a criteria that must be met by employers who would engage in the

industry and hiring practice of entertainment into the country. How does one fit against the other? It is very hypocritical, because the mindset is really telling us that the behaviour that they would like to give credence to is the behaviour of those employers that do not want to be committed to local entertainment. You cannot go out every night of this week and find the plethora of entertainment around the Island that was buzzing in the heyday of tourism and was an intricate part of the success of the product that Bermuda offered.

Now the night life, in comparison, is dead. And the entertainers that would be well served in honing their craft by having the obligation of performing on a nightly basis are now subjected to just being in their rooms practicing. For what? There are a number of young people in this country who are going off to institutions such as Full Sail University to not just hone their craft, but to get the level of instruction that would bode well for a professional career path. *But not in Bermuda*, as I heard someone say. But why not?

As close as we are to the mainland of the United States where there is a burgeoning music industry, and even to the south of us . . . I think all of us can remember having attended at least one Byron Lee concert, who has now passed, bless his soul. Up to 8,000 to 10,000 people in this country would go to Tiger Bay year over year to look for and to appreciate the level of performance that Byron Lee brought with his group to this Island.

So the audience is here but the big grey area is, where does Bermuda stand in its commitment to its own home-grown talent? It is a lucrative profession for those that not only aspire but enjoy success. The market forces bear out that they are appreciated in providing the kind of entertainment that is enjoyed by the consumer.

So why do we look down our noses on our home-grown entertainment, comparatively speaking, when we look at considering policies that are going to be detrimental to their very existence as professionals? Especially when we are going out to these functions and seeing the level of amateurs performing at a professional level . . . at a professional level. It just boggles me. You have the opportunity in this country to support talent and help them to not only believe in themselves, but help them along the way to enjoy a level of success that would bode well for their future and, indeed, for them to serve as ambassadors for this country. We are going all over the world putting other country's beaches on our brochures when we could be putting our own home-grown talent on Horseshoe Bay looking really nice and welcoming to the world.

[Laughter]

Mr. Glenn A. Blakeney: But there is no creative ingenuity—none—that puts our people as the market

brand first to expose, or help expose, what we have in this country that we all treasure.

But it seems that we do not treasure it as we should, or as it deserves to be treasured. And I just cannot understand it. And without people like Troika, Nadanja Bailey, Nishanthi Bailey, including Inter-Island Communications, and others . . . Robert Edwards . . . there is a whole list of them, particularly from the promotional level . . . and you know it is not easy when you bring in the international entertainment. It is cost prohibitive. But we do not want to encourage celebration of our own talented entertainers. And so the critique comes before the praise with the consumer market, a kind of marketing that local promoters have to do which is incredible and it comes with an incredible cost, and that is only because people have now bought into, *Well, Bermuda, so what? What does Bermuda have to offer? Ah, you're not that good* . . . instead of encouraging.

You know, I remember when Bob Marley started his career. If you go back in the archives and listen to some of his first recordings, you would have thought (had you not believed that he had the talent that was manifested in his later years) that he would never make it internationally. Never. Not compared to the kind of music that was the mainstream music that the world accepted as the industry standard, regardless of genre, because at one time reggae music was not even allowed to be played on radio stations in Jamaica.

But the change of attitude spawned a change of behaviour. A change of behaviour spawned appreciation. Appreciation motivated consumerism, and consumerism elevated the artist to the level of international renown. So much so that Eric Clapton took Bob Marley global with, *I Shot The Sheriff*. After that Johnny Nash with, *I Can See Clearly Now*. The rest is history. His estate is making over \$15,000 or \$20,000 [*sic*] a year for his inheritors—

An Hon. Member: Millions.

Mr. Glenn A. Blakeney: Millions, I am sorry. Millions. Yes, that was a Freudian slip!

[*Inaudible interjections*]

Mr. Glenn A. Blakeney: Millions, absolutely. My apologies, millions. Let us say tens of millions. And I deem to say within the next 15 to 20 years probably hundreds of millions, because his music is more relevant now than it was when he was even living.

So that is just an example of what can happen with belief in self—not just belief in country, but belief in motivating those within the country to do what they have been given as a God-given talent to share, not just with the 60,000-plus people in Bermuda but indeed with the world . . . with the world.

AIRPORT MOU

Mr. Glenn A. Blakeney: Now, with regard to the flexibility versus the balance—that is very important. And of course it is often said that this [PLP] Government has not been internationally business friendly. That is the farthest thing from the truth when we engaged in all kinds of consultative meetings and processes. It may have not been a meeting of the minds, we might not have been in lockstep, but that is just how it is. It is what it is. And you continue to work through it, you continue to work on it, you continue to work with it, because that is how you progress . . . through process. And even if there is loggerheads or impasses, you still work on where you have the challenges, because an elected government in any country is first obligated to being committed to its electorate, the people that put it in position to look after not just the affairs of the country but affairs of the country that will directly impact them in a positive way.

So when they put good faith in any government it is up to the government to reciprocate by giving them, first and foremost, priority. It is imperative. And if you do not, you serve the people at your peril, based on neglecting what they believe you should be doing in their best interests.

This morning, Mr. Speaker, we heard questions asked. And we had Members of the Government, particularly the Finance Minister, that were not as transparent as the Government would have us believe they are committed to being. And the questions were not questions that involved anything remotely close to rocket science. What was so hard to understand was the answer from the Finance Minister in saying that eventually you will get the answer.

Now, I do understand that in certain situations there is a level of sensitivity and confidentiality that is required. But the kinds of questions that we asked were questions that the people of the country are asking because they want clarity on this issue. When they have heard the kind of grey area that exists, even admitted, as a result of my colleague, Ms. Wilson, earlier saying that there was one entity that is involved very closely to a law firm that is now called up into question legally, the people want to know, and the people deserve to know.

There is nothing that we are asking that is way out in left field at all. These are very pertinent and very relevant inquiries into what is going on in our country particularly with the assets that we have in the airport and the redevelopment that is being proposed. There is no way that we should be expecting people of this country not to want clarity and not to be interested in what is planned for the redevelopment. That is just a no-brainer.

So when we act on behalf of the constituents asking the questions, it is not for our benefit alone, it is more so for the benefit of the electorate, for the people it is going to impact in this country with one of the

most revenue-producing assets that we have. And there is no one that can make me believe that, had we gone out to RFP, we could not have found a better option than to offload an asset for 30 years with no residual benefit coming from that offloading of the asset—

Hon. E. T. (Bob) Richards: Point of order.

Mr. Glenn A. Blakeney: —save and except—

The Speaker: Honourable Member.
Minister?

POINT OF ORDER

[Misleading]

Hon. E. T. (Bob) Richards: The Honourable Member is misleading the House.

We are not offloading any assets.

The Speaker: All right. Thank you.
MP Blakeney, continue.

Mr. Glenn A. Blakeney: Transferring the assets to the control and complete control of a foreign entity. That sound better?

Hon. E. T. (Bob) Richards: That is also misleading the House.

The Speaker: The Minister says that is not correct as well, so carry on.

Mr. Glenn A. Blakeney: Well, he is entitled to his opinion—

The Speaker: Right, so you give—

Mr. Glenn A. Blakeney: —as I am entitled to mine. And my feeling is that we are not getting any direct revenue from CCC having the Government of Bermuda obligated to ceding the revenue to them for building the airport. It is a reciprocal arrangement.

Now, what we get out of it up front is the jobs, when the ground is broken and it starts to be developed. But when you compare that to the hundreds of billions of dollars that CCC is going to take in foreign exchange out of the country over the 30-year period, it is incredible.

Well, my [Shadow] Finance Minister said it is something in the area of a billion dollars over the 30-year period. I am not a numbers guy but I do trust my Shadow Finance Minister and the due diligence that he has done in stating that about \$25 million or so per annum revenue will be derived as a result of CCC having this contract, which equates (by what I am being told by my colleague) to about 2 per cent overall.

So I would implore, once again, as we have continuously done on this side of the House, for the Government of the day to rethink, to re-look at what it is that they are planning to do, and be assured that there is absolutely no better way to go than what they have decided in a very short period of time, where it seems as if upon . . . in retrospect there are all kinds of things coming up that go from one extreme to the other and all in between, and then ending up with the grey area that some might call “nefarious behaviour” by certain people involved with CCC. Where it has caused international agencies to ban them or put them on a banned list, or those contractors or sub-contractors that they have engaged in business with previously.

Why do we need to even be dealing in this way where we cannot be forthcoming with direct answers to direct relevant questions? And that is why the people of this country have a concern and that is why the Opposition has stated its concern extremely clearly. And I am sure the Government understands. We just hope they would be wise and prudent in taking benefit from the concerns the people of this country have and just peel off some of the layers and look under the hood of some of those entities that they are supposedly going to do be doing business with to ensure that they are as pristine as they should be in dealing with Bermuda so that at the end of the day Bermuda’s reputation is not tarnished to the degree that we cannot do anything about it to get out of it.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Member.

The Chair will now recognise the Junior Minister for Immigration, Junior Minister Sylvan Richards.
You have the floor.

WORK PERMIT POLICY

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

Mr. Speaker, I rise to my feet to respond to some of the comments made the MP for Pembroke Central, constituency 17, the Honourable Member Walton Brown, to try and address some of his concerns about what he perceives to be the lack of consultation between the Government and, I guess, the public over the draft Work Permit Policy that the Minister has been working on for well over a year.

Now, Mr. Speaker, as the Junior Minister for Home Affairs I naturally have been very involved in the whole process of vetting (if you want to call it that) this whole Work Permit Policy with the various stakeholders. And what I would like to do is just read a list I made, Mr. Speaker, of some of the industry leaders who were consulted in collaboration with certain members of the work permit stakeholder group.

Some of the groups that the Minister met with included, and this is by no means a complete list:

- The Labour Advisory Council;
- The Bermuda Trade Union Congress;
- The Association of Bermuda Insurers and Re-insurers;
- The Association of Bermuda International Companies (or ABIC as they are more well known);
- The Bermuda Employers' Council;
- The Bermuda Hotel Association;
- The Bermuda Human Resource Association;
- The Chamber of Commerce;
- The Bermuda Entertainers' Union;
- The Immigration Board;
- and numerous other individuals, Mr. Speaker.

And the draft Work Permit Policy was actually open to the wider public via the Government website, which invited written submissions. And when that date closed the Minister, to his credit, continued to meet with stakeholders up until last week. Now I must say, Mr. Speaker, that I had concerns about the Work Permit Policy. I brought those concerns to the Minister and I invited him to meet with people that I know in the industry—Bermudians, who work in international business—and other companies that are affiliated with international business. I brought them to the Minister personally so that their concerns could be talked about, discussed, and addressed.

I say all of that to say that for the Honourable Member to get up and say that there was some lack of consultation or we did not speak to enough people, the opposite is the case. And I must say also that the Honourable Member for Pembroke Central said that he had not met with the Minister to discuss immigration issues [when], in fact, he did. In late summer the Honourable MP Walton Brown had a meeting with the Premier—

Mr. Walton Brown: Point of order.

Mr. Sylvan D. Richards, Jr.: —and the Minister of Home Affairs—

The Speaker: Honourable Member.

The Chair recognises the Member Mr. Walton Brown.

POINT OF ORDER
[Misleading]

Mr. Walton Brown: The Honourable Member is misleading the House, Mr. Speaker.

It is true that I met with Minister Fahy, but that was to discuss the whole issue of PRCs. We did not discuss the issue of—

The Speaker: Thank you.

Mr. Walton Brown: And I have requested meetings with the Minister to discuss the Work Permit Policy.

The Speaker: Thank you, Honourable Member. Junior Minister Richards, please carry on.

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

I just wanted to make it known in the public domain that a meeting did occur.

So, fast forward. We get to a point where the draft policy is in its final stages of drafting and, I guess, the last piece of the puzzle was to meet with ABIC (the Association of Bermuda International Companies) to get their final sign off.

Now it must be said, Mr. Speaker, that ABIC brought this Work Permit Policy and their request to the Minister. So it was their baby. And after consultation—months and months of consultation—it was brought forward that they have some concerns with the BEV (the Bermuda Employment Visa). And I was actually at a meeting at the Immigration Department with a bunch of stakeholders, and some Human Resources managers basically brought forward the observation that the BEV had the potential for double-dipping. The BEV . . . the intention was to be allocated to C-suite executives, but word started going around that some companies (and I am not trying to slander any company) but some companies would use the BEV for lower-level employees, which was not the Government's intent, definitely not what we intended.

So as a result of the information from ABIC, the Minister decided that the BEV would be scrapped. So it is not a stand down as was alluded to earlier. It just proves that consultation works as it should work. If the Government decided to have its way, the Minister could have just decided to push ahead with it and let the chips fall where they may, which does not really make a whole lot of sense. In his wisdom he consulted extensively, he listened to the very stakeholders—and I read the list, it was quite extensive. He listened to private individuals, Mr. Speaker. He took information that was presented on the Government website, and [then] came to the decision that the BEV would be scrapped.

So from where I sit, Mr. Speaker, the process worked. It was a very rigorous process and I feel comfortable that this is the proper outcome. So the Ministry is committed to finding that balance, Mr. Speaker, between encouraging new business to come to Bermuda while balancing the interests of Bermudians who work in these various industries.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Member.

The Chair will now recognise the Honourable Shadow Minister for Education from constituency 3, MP Lovitta Foggo.

You have the floor.

Ms. Lovitta F. Foggo: Thank you, Mr. Speaker.

Mr. Speaker, I think it is important that I stand and speak on this concern regarding pending immigration policy in particular.

Mr. Speaker, speaking from a layman's point of view I have to say that I am quite alarmed with what I see going on in the private sector. Indeed, I can say, Mr. Speaker, that no less than 10—at least 10—individuals very recently have come and shared with me . . . these are young, black professionals, Bermudians in particular, who have found themselves in the situation where they go to work thinking everything is A-okay and just like out of the clear blue they are being told that their jobs have now been made redundant. You go to work Monday morning, get up, go to work Tuesday morning, you walk in with no prior notice.

The reason why I bring this up, Mr. Speaker, is because there is the perception amongst many of these people that at least what seems amongst that group is that at an alarming rate they are being told that their services are no longer needed. They believe that some . . . with this pending legislation, many Bermudians have said that they feel as though they are being removed from certain positions because they believe the firms for which they were once employed are looking at this as a means of being able to clear the way for other employees or current employees that they may have marked for those positions.

Mr. Speaker, I think it is incumbent upon me to get up and speak to this because I want to impress upon our fellow Parliamentary colleagues that they ensure, in terms of putting this immigration policy together, that Bermudians indeed do feature first and foremost. Because I know there are many Bermudians out there like me. And Mr. Speaker, I can stand here and say that I have spent close to half a million dollars educating my daughters so that they can come back and give back to their country by way of employment wherever they choose to be, as long as they have the requisite skill set. And so we invest in our young ones to ensure that they can come back and be employable in their own country and in so doing assume (1) their rightful roles and (2) again, are able to give back.

It is very disheartening when one is faced with pondering whether or not would-be employers really want to employ some of our Bermudians, because when you hear constant anecdotal evidence where you have qualified Bermudians for no good reason being dismissed, yet when they look around them their expat affiliates seem to have job security. And I do say “seem,” Mr. Speaker, because all one can

speak to is the perceptions that have developed with some people.

So the public is not convinced that this pending immigration legislation is going to be of the ilk that ensures that Bermudians are protected and are seen or sought out as first-choice employees when they have the requisite skill sets, because nobody is suggesting that Bermudians be employed if they are not fit for a certain position. We are talking about ensuring employment for Bermudians first and foremost.

And with some of the . . . I guess, the way in which the legislation . . . it has been suggested that the legislation may be crafted, it might inadvertently . . . and I am not saying that anybody who sits in this House is trying to put Bermudians out of jobs. I want to declare that first, Mr. Speaker, because that is not what I am suggesting here. But what I am saying is that we . . . and I am glad to hear that the Honourable Junior Minister who just took his seat approached this from a point of view where he, as a Member of Parliament, wanted to ensure that Bermudians enjoy the proper protections through this legislation that may come to light.

I am saying that it is absolutely essential that that be done because as a parent who has invested much in my children (like many other parents) I think that I should rightfully expect that in my country I am considered first and foremost, and that I enjoy all the protections that legislation should offer me as a Bermudian. And so I have to implore upon the Government that when they do finalise the legislation, and in continuing to speak with our corporate partners and other business sectors, that the legislation that is compiled is, I would say, holistic and ensures that Bermudians first and foremost have the right and proper protections.

AIRPORT MOU

Ms. Lovitta F. Foggo: Mr. Speaker, having said that, I stand here and wish to declare that when we consider the pending airport contract that we have heard so much about, as a Bermudian I want to know, believe, and be assured that what is implemented has passed the test and the scrutiny.

I dare say that I have sat under the Honourable Finance Minister in the Public Accounts Committee who acquitted himself extremely well when he served in the capacity of Chairman on that Committee. And I do say that I expect nothing less than the type of attention that he provided to the details when we were charged with reviewing certain reports. I expect the Honourable Minister to provide that same type of expertise and attention with respect to the airport deal because, Mr. Speaker, with all of the Bermudians I have met who have lost their jobs, with many of the people who have been made redundant, just with the hint that more Bermudians are likely (and I do say are “likely”) to lose jobs with this airport deal,

just that alone is sufficient for me to say, pause, stop, rethink how we are going to do this, and before the deal is completed . . . rise and be able to say with all certainty that, *I in my capacity have done the due diligence that this business deal deserves and I can assure the Bermudian public that it passes . . . it does indeed pass the smell test, that this is the very best . . . very best deal that could be made and that the Bermudians are going to be the winners after this with, hopefully, no one—no one—losing their jobs and that, indeed, at the end of it all we maintain control of one of our most valuable assets.* And I am charging my honourable friend with that, and I would expect that he would do no less to me if I were sitting where he sits.

So with that said, Mr. Speaker, I will take my seat.

Thank you.

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Honourable Member from Smith's South, constituency 8, the Government Whip and Government House Leader, MP Cole Simons.

You have the floor.

WORK PERMIT POLICY

Mr. N. H. Cole Simons: Thank you, Mr. Speaker.

Mr. Speaker, the Honourable Member Glenn Blakeney of Devonshire North Central, constituency 13, drew me out because I was not going to say much. But anyway his topic caught my attention. And Mr. Speaker, the area that he spoke about was local entertainers.

Mr. Speaker, I think that the legislation that we have in place is more than adequate for our country at this important time. Can it be improved? Yes. Does it need some tweaking? Yes. But if you look at the industry as a whole, the industry is functioning, those entertainers who are entrepreneurial in nature have worked and they are busy all the time.

Mr. Speaker, when it comes to bringing in entertainers, to me the decision is easy and I place it in two categories: public functions and private functions. Mr. Speaker, if you have a wedding and an overseas tourist is coming down with 150 to 200 people and they want to bring in John Legend to play at their private wedding, then I see no reason to not allow them to bring in John Legend. It is one permit against 200 people that will fill our hotels.

So, Mr. Speaker, I make no apology for allowing that to happen. The same thing goes for the conventions, Mr. Speaker, the business conventions that come here. Sometimes they use local entertainers and sometimes they want to bring their own entertainers, Mr. Speaker. And if you are bringing in 200 business executives and their families for a convention, I am not going to compromise that convention by telling

them that they cannot bring in the entertainers of their choice.

So, Mr. Speaker, I do not apologise for the position that Government takes on private functions when it comes to entertaining our foreign guests.

Mr. Speaker, on public events, you know, we will always have international guests. I mean, under the PLP Government and even the UBP Government we had our full Bermuda Jazz Festival. We always had international guests and they also had local artists, and everybody was happy. The international entertainers were here. Bermudians supported them at the same time they supported the local artists who are willing to work and who are providing first-class services.

I also want to salute other young entrepreneurial business entertainers. And I am thinking of . . . look at the Chewstick Foundation. The arts of this country, it was a vision, it took off, it has entertainment, it has poetry, it has music, it has everything, and these young people are engaged all the time. I look at Rochelle Simons; she is a singer from Somerset. Every two or three years she has an event at Southampton Princess or Hamilton Princess. She brings in Bermuda entertainers and she fills the hotels. So again our entertainers have to be good at their craft, but they also have to be entrepreneurial.

The other persons that I think of are the dance studios . . . the dance studios In Motion, UDP, Patricia [*sic*] Harvey—

[*Inaudible interjection*]

Mr. N. H. Cole Simons: Sorry, Suzette Harvey—they have events two or three times a year and they are oversubscribed. Again, entertainment for Bermudians. These entertainers are also engaged at private events, be they Shine Hayward, or the dance studio people, or the Chamber of Commerce. Again, if you are entrepreneurial, if you are serious about your craft, there is something in Bermuda for you.

So I just rise to say I am sympathetic to what MP Blakeney has said, but I think we need to paint the full picture and place some onus on the entertainers and also look at what happens in the private arena and what happens in the public domain.

Thank you, Mr. Speaker.

The Speaker: All right. Thank you, Honourable Member.

The Chair will now recognise the Honourable Member from Southampton East, constituency 29, Shadow Minister of Tourism, Zane De Silva.

You have the floor.

Hon. Zane J. S. De Silva: Thank you, Mr. Speaker.

Mr. Speaker, in reply to the Honourable Member who just took his seat I would just like to say one thing. First of all, I am with him. I would like to see

large groups of visitors to Bermuda, especially if they are in the 200 people range. But Mr. Speaker, where we differ intensely and immensely is the fact that he said, *If they want to bring in their own . . . they want to bring in John Legend, they could bring in Bob Marley for that matter, Mr. Speaker. My take would be, You could bring in Bob Marley, partner, but let's talk about our locals . . . do not . . . I would not throw our locals to the curb, Mr. Speaker, in this economy, in this climate . . . in this climate . . . just throw our people to the curb? No, no, no, no, come on, come on. And this is the OBA Government. You see that is the difference between OBA and PLP, Mr. Speaker. That is the difference. We would welcome 200 visitors, we would welcome their foreign entertainment, but we would say, Partner, this is how it's going to work—*

[Inaudible interjection]

Hon. Zane J. S. De Silva: And the Honourable Tourism Minister says, *And they don't come.*

I guess he was not around when the Follies were at Princess, Mr. Speaker, was he? When we had local entertainment mixed with the Follies, was he, Mr. Speaker? But does Trinidad do it?, Does Barbados do it? You see? But see, Mr. Speaker, that is a key point. So I will let the water find its own level with that comment, but that is how we in the PLP would operate.

We would sit down with these folks and say, *Listen, you know what climate we're living in, our people, our musicians are struggling.* And you know what? The visitors, Mr. Speaker, I would suggest that the visitors might enjoy a little bit of local flavour. Nobody has to tell you about that, you worked in the hotel industry for a long, long time, and you know some of the local talent we had down in that place where you formerly worked, Mr. Speaker. I spent many a Friday and Saturday night listening to our people.

VISITOR INFORMATION CENTRES

Hon. Zane J. S. De Silva: Mr. Speaker, I would like to switch channels and I would like to talk about the Visitor Information Centres we have in Bermuda. We have three—one in Hamilton, one in St. George's, one in Somerset. And the Bermuda Tourism Authority announced a couple of weeks ago that they were going to make some changes. That is cool, that is great, you know, let us improve our product, let us make some changes.

My challenge, Mr. Speaker, is that one of the centres has been told they have to clear up and move out by the end of the month. The other two, Mr. Speaker, have been given years extensions.

Now, Mr. Speaker, you have to wonder why a decision like that was made. And maybe the Honourable Minister might get . . . well, no, he will not know because this is the Bermuda Tourism Authority. He does not know anything about the Bermuda Tourism

Authority, so we will not get that answer today. Maybe the CEO will give us that answer later on next week.

But Mr. Speaker, my question is this, Why this particular individual? And I have a challenge with it, Mr. Speaker, because of this: All three were told that there were going to be some changes. Cool, no problem. Two got one-year extensions, one did not. The one that did not, Mr. Speaker . . . I have it on good authority that he has spent in excess of \$60,000 in fit-out of his Visitor's Centre, not including the rest of his costs, but this was on fit-out.

So, Mr. Speaker, my question is, Why kick him out and let the others operate? And to add salt to the wound, Mr. Speaker, the Bermuda Tourism Authority has gone down to one of the other centres and actually done some fit-outs, some painting, some refurbishing at their cost. Mr. Speaker, I smell something funny. Something is not right with this picture. Something is not right.

Mr. Speaker, this gentleman who works up in the West End (and I believe you know him) has been in the business for a while. Mr. Speaker, if he is made to leave those premises . . . and I am going to ask the Minister to interfere and go talk to his CEO at the Bermuda Tourism Authority—interfere and give this fellow at least another year like the other two. Let it—

[Inaudible interjection]

Hon. Zane J. S. De Silva: I am talking about "Cooky" Brown—Steven "Cooky" Brown, if you must know. That is who I am talking about. Okay Mr. Speaker? That is who it is—Steven "Cooky" Brown—from out WEDCO. He works out at the West End site.

Mr. Speaker, I would like to implore the Minister to give him another year. We are talking about entrepreneurship. We are talking about employment for Bermudians, Minister. He has up to 11 employees that he employs during the course of a year. That is another 11 people we are going to kick to the curb—another 11. Every week it is 6, 11. You know, I informed the House last week that United [Airlines] is closing. That is going to be another 7, 10 employees. They are closing this weekend, Mr. Speaker, they are gone.

So, Mr. Speaker, I ask, why are we doing this to this one individual? Why? Why, Mr. Speaker? We have a CEO, Mr. Speaker, that is making \$400,000, \$500,000, \$600,000, \$700,000 [or] \$800,000 a year, but we have a Bermudian entrepreneur who is hiring Bermudians who . . . Well, hey, get cracking. Get cracking!

[Inaudible interjection]

Hon. Zane J. S. De Silva: Well, what are the priorities of this OBA Government? To take care of family and friends and CEOs that we are paying . . . I do not

know, Mr. Speaker? I do not know what that number is. But what . . . what . . . what is it, Mr. Speaker?

And you know what? We pay all these big fees to these foreigners, Mr. Speaker, that, you know, we are still waiting for some accountability because we know the numbers are down. The air arrivals are down 5.5 per cent. The heads in beds (as the Premier likes to call it, *We need heads in beds; that is a priority*) . . . that is down, Mr. Speaker, 7 per cent. Where is the accountability? I said last week if he was a football coach he would be gone. The CEO told us in January, *Look, in six months you are going to see some improvements*. It has gone the other way—accountability, Mr. Speaker.

So I asked the Minister and I asked the Premier, *What's the plan? What is the Minister's plan? What is the BTA's plan?* We were promised that numbers were going to increase; the numbers are falling. Watch out for next quarter, Mr. Speaker, watch this spot.

Mr. Speaker, I mentioned just now that United [Airlines] is pulling out of Bermuda this weekend. But I also understand that Delta [Airlines] is pulling out too.

An Hon. Member: No way.

Hon. Zane J. S. De Silva: Yes, sir. Delta's flight out of JFK, Mr. Speaker, yes. So we have more Bermudians out of work, possibly. I do not know how many. I do not know if they hire any Bermudians—

Hon. Shawn G. Crockwell: Point of order, Mr. Speaker.

The Speaker: Yes, Honourable Member.

Hon. Shawn G. Crockwell: Point of clarification.

The Speaker: Yes.

POINT OF CLARIFICATION

Hon. Shawn G. Crockwell: The Honourable Member is using the terminology “pulled out.” We know that United has decided not to come here for a few months during the winter months. They will be back—

[Inaudible interjection]

Hon. Shawn G. Crockwell: It may be the first time. That is fine. But the reality is, Mr. Speaker, we know the issue with the airlines and load factor and they will not be coming for a few—

The Speaker: During the winter.

Hon. Shawn G. Crockwell: —months in the winter months. They are not pulling out of the jurisdiction.

The Speaker: All right. Thank you. Thank you, Minister.

Thanks, Minister.

All right. Carry on, MP De Silva.

Hon. Zane J. S. De Silva: Yes, Mr. Speaker, I did say that last week. I said that they were going for the winter months. And so . . . but, what the Minister did say is, *for the first time in our history*. So my point is to the Minister that wants to get up and talk about [how] they are just gone for the winter months, maybe the Minister . . . I will sit down if he wants to give another point of clarification. Why is this the first time? I will have a seat. What is his plan?

Hon. Shawn G. Crockwell: Mr. Speaker, if the Honourable Member—

The Speaker: It looks like he wants there to be a clarification.

Hon. Shawn G. Crockwell: If you will allow me to speak, I have no problem speaking on this.

The Speaker: You want to give him the clarification?

POINT OF CLARIFICATION

Hon. Shawn G. Crockwell: Mr. Speaker, we have seen an adjustment in airlines coming to Bermuda for years now because of the low load factors. And now because of the requirement to have not just . . . some years ago they would fly to destinations with the 70 per cent load factor and, in fact, United's overall load factor was not that bad. But because they can get 85 per cent and 90 per cent during our winter months in other destinations, they made a fiscal decision to do that. We were not happy with it and we are going to try to talk to them going forward about it—

Hon. Zane J. S. De Silva: Thank you. Thank you, thank you.

Hon. Shawn G. Crockwell: —but they have made that decision.

The Speaker: Thank you, Honourable Member.

Hon. Zane J. S. De Silva: Thank you, Mr. Speaker.

And that explanation, all it did was take up a minute of my time because . . . because, Mr. Speaker, I will say it again, it is the first time in our history that United has left for the winter months, after being promised by the Bermuda Tourism Authority CEO that the numbers will increase.

An Hon. Member: Exactly!

Hon. Zane J. S. De Silva: He is on record as saying, *I will show you*—David Dodwell is on record as saying—*It's a new day. Things are improving. The numbers are getting better.* But the fact of the matter is the airline numbers of visitors are down and the heads in beds and hotels are down, Mr. Speaker. What is the plan?

An Hon. Member: What is your plan?

Hon. Zane J. S. De Silva: What is the plan?

Mr. Speaker, you know what I think? I think there is no plan. It was this big thing of the OBA, *We're going to form a Bermuda Tourism Authority. We're going to do things differently. We're going to show the PLP how to get visitors to the Island.* But Mr. Speaker, the fact of the matter is that visitor numbers have dropped and they have dropped significantly . . . they have dropped significantly enough that an airline leaves Bermuda for the winter months for the first time in its history in Bermuda . . . and to our largest market.

An Hon. Member: Our largest market.

Hon. Zane J. S. De Silva: But Mr. Speaker, you know what? If this had happened under a PLP watch, can you imagine the cry from the OBA? It would have been front page. It would have been, *Bermuda's losing flights because of the PLP's ineptitude or our inability to maintain positive relationships with carriers.* I can imagine the headlines, Mr. Speaker. Can you see them, big bold writing, *PLP Government loses two flights*—that is what you would have seen. And you would have seen a plane flying off into the distance, Mr. Speaker.

Mr. Speaker, you know, the America's Cup decision will be announced next week. And you know we hope—we hope—that we get it. But Mr. Speaker, you know what? If we get it—

[Inaudible interjections]

Hon. Zane J. S. De Silva: If we get it. If we get it, Mr. Speaker, guess what? The OBA is going to have a problem. They are going to have the same problem that we had between 2005 and 2008. And do you know what that is, Mr. Speaker? Securing airlift, because those were some of the busiest times of tourist arrivals in our history and we had the great company by the name of GlobalHue doing it. That is what we got under GlobalHue.

You know, they tout . . . many times they will say in this House . . . they will mention GlobalHue and what they represented. But we know what they represented—the best numbers that we have ever seen in our history.

Now, Mr. Speaker, how much time do I have left, please?

The Speaker: [You have] 7 [minutes] 40 [seconds].

FURLOUGH DAYS

Hon. Zane J. S. De Silva: Oh, I think I can squeeze it in. I think I can squeeze it in.

Mr. Speaker, I would like to switch channels again. This time I would like to talk about our debt and our people, Mr. Speaker, for a moment.

Mr. Speaker, you will know that many of our people earlier this year were subjected, and agreed to, furlough days. A lot of our people have been hurting since we had those furlough days taken, Mr. Speaker. We have had a reduction in pay for our workers, Mr. Speaker.

And Mr. Speaker, today . . . and I have called on this before but I would like to call on it again, because the SAGE Commission, the OBA . . . in particular, Minister Bob Richards, has talked constantly about cutting Government's expenses . . . cutting Government's expenses, privatising, workers take another cut, take a 5 per cent cut, take a furlough day, maybe take another furlough day in the next couple of months, Mr. Speaker, we hear this a lot.

My plea today is, Mr. Speaker, as I have done before (and you will remember this), when are we going to ask our other stakeholders in the community to take some of this pain? For example, our dentists, our doctors, our lawyers, our accountants, our insurance companies—when are they going to take a little bite, Mr. Speaker, of this pain that our people are facing? When are they going to do that, Mr. Speaker? When are they going to do it?

Mr. Speaker, I will dovetail into this. We know that the OBA have talked about cutting costs because our debt is so high . . . cutting costs. But I have not heard much about revenue generation. I really have not. I have not seen the results of any positive initiatives that are generating revenue. I just talked about the Bermuda Tourism Authority and how they promised to get the visitor numbers up and get heads in beds and, therefore, increase our revenue, Mr. Speaker. We have heard the OBA in the last couple of weeks talk about all the hotel development, Mr. Speaker, and how that is going to create jobs and whatnot. And, of course, we could talk about the starting of these projects under PLP and finishing . . . well, hopefully get finished by the OBA. They are learning some lessons, Mr. Speaker.

But Mr. Speaker, what we have to realise is that some of this hotel development . . . we have to wonder, if we do not have more interest because of what happened over Jetgate. And let me see if we can connect some of these dots, Mr. Speaker, okay? We have a couple of jet trips that take place. We have a visit to DC. We have a meeting that takes place (or two or three). We have a developer that says he wants to develop Club Med. We have \$400,000 that is sent to the OBA from this same fellow and his

friends—connect the dots, Mr. Speaker—then after that we have this big Jetgate debacle. We have resignations out of yin-yang, still one to come from the Tourism Minister that is no longer really a Tourism Minister, still drawing his same wage, paying the CEO \$400,000 or \$500,000, the Minister of Tourism says, *Well, I've got nothing to do with that anymore.* What does he do for tourism? Should he not take a 50 per cent cut?

An Hon. Member: Yes.

Hon. Zane J. S. De Silva: Okay, Mr. Speaker? I do not hear anything about that.

So, Mr. Speaker, we have the Jetgate debacle. All right? Then, connecting the dots, the final dot, this same developer, Mr. Landow, pulls out of the Club Med deal.

So, Mr. Speaker, I hope lessons have been learned, because you know what? We get feedback on this side of the House when you hear the OBA talk about development . . . we hear from some fellows too, Mr. Speaker, some developers overseas. And do you know what they say? *Well, what happened to Club Med? What happened with all that? They had a lot of things that took place and nothing really happened.*

Now we have another group that was chosen under cloudy circumstances, Mr. Speaker. But what I am saying to you, Mr. Speaker, is that I hope . . . I hope that the OBA has learned a lesson over that. We are still waiting. We are still waiting for the OBA entire team that sits on that side to make some noise about the Ministerial Code of Conduct, Mr. Speaker. The Ministerial Code of Conduct has been broken. What does it say when you break the Ministerial Code of Conduct?

An Hon. Member: What does it say?

Hon. Zane J. S. De Silva: It says, Mr. Speaker, if you have broken the Ministerial Code of Conduct you should hand in your resignation to the Premier. We have not had that yet, Mr. Speaker. There is a certain Member still sitting over here in this House, he has broken it clear as day, no ifs, ands or buts. No well, maybe yes, maybe no. It has been broken, Mr. Speaker, and he is still here.

So, Mr. Speaker, before I take my seat, let me ask the Minister again—

The Speaker: Speak to the Speaker.

Hon. Zane J. S. De Silva: —the Minister that gave up half or one of his ministerial jobs.

Yes, Mr. Speaker. We would like to ask the Minister, What is his plan? What is his and the Bermuda Tourism Authority's plan to reverse this down-

ward trend with regard to air arrival visitors and heads in beds, Mr. Speaker? What is the plan?

The Speaker: Thank you, Honourable Member.

The Chair will now recognise the Minister for Tourism and Transport, the Learned Member from Southampton [West Central], Minister Shawn Crockwell.

You have the floor.

UNITED AIRLINES

Hon. Shawn G. Crockwell: Yes, thank you, Mr. Speaker.

Mr. Speaker, what is interesting is that . . . let us start with United's departure. The Opposition is making a lot of noise about United. And we accept the fact—

[Crosstalk and inaudible interjections]

The Speaker: Honourable Members, we have—

[Gavel]

The Speaker: Honourable Members!

[Gavel]

The Speaker: Honourable Member, be quiet!

No, no, Members be quiet.

We have had a very good discussion all day. There is no need to stoop.

Minister.

Hon. Shawn G. Crockwell: I just want to clarify that you are not rebuking me, Mr. Speaker, so the people in the audience know that.

Mr. Speaker, we certainly were disappointed with United's decision. I have a great deal of confidence in the general manager of the airport who deals with airlines . . . you know, close for the Government. But it is interesting that the Opposition did not come and say, *Well done. Well done.* when we introduced the LaGuardia route—that is new—and it is doing very well, that was introduced under this Government. Okay?

[Inaudible interjection]

Hon. Shawn G. Crockwell: Now the Honourable Member . . . which airlines? I thought you were an aviation expert, okay? It was Delta, Mr. Speaker.

Now, the reality is we are seeing adjustments as it relates to the airline industry, and until we address the air arrivals in this country we are going to continue to have issues with airlines. That is a reality. And it is interesting because the Opposition loves to make it up as they go along. They make it up. They

get up and just say whatever they want. The Honourable Member is saying a 5 per cent drop. Well, that was just in the third quarter, Mr. Speaker. But he did not say that. He said a 5 per cent drop. And the insinuation—and it was clear—was talking about for this year, Mr. Speaker.

Now what is interesting, Mr. Speaker, this is what is interesting—

[Inaudible interjections]

Hon. Shawn G. Crockwell: I don't know. I am trying to speak.

What is interesting is that earlier in this year when there was an increase . . . and I remember we announced the increase. No one did any fanfare about it. It was I think a 2 per cent increase. And the Honourable Wayne Furbert went to the press (who was the spokesperson for Tourism at the time) and he said, *Well, we can't give credit to the BTA for that. That is a result of the PLP's policies we put in place, before [the OBA] took over the Government, a year before.* So he was taking credit for the increase. Now there is a decrease and it is all the OBA's fault.

The reality, Mr. Speaker, is that in 2011 this country saw the lowest air arrivals in its history, if we are going to talk about history, if we are going to talk about Bermuda history, the lowest ever in 2011. And so in two years, Mr. Speaker, we are supposed to recover from the lowest ever . . . from the lowest ever in air arrivals?

[Inaudible interjection]

Hon. Shawn G. Crockwell: Now, what is interesting . . . we will see what the totality is, what it averages out to be. It may be a wash, Mr. Speaker, for the year in terms of increase or decrease. But I am confident that we will be looking at improvement in our numbers next year because I am confident that the Bermuda Tourism Authority and its workers (whom 90 per cent, Mr. Speaker, are Bermudian) who work hard, extraordinarily hard. Yes, the CEO is not Bermudian and I make no apologies for the fact that the Board hired him. He comes highly qualified and he works extremely hard, Mr. Speaker. And he was a bit over-exuberant when he first came in and had a great deal—

[Inaudible interjection]

Hon. Shawn G. Crockwell: Yes, he certainly did.

When he said, *I expect to see improvement in three to six months,* I told him, *Marvellous, but you know what? You may have to deal with those words later on in the year.*

He said, *Minister I am going to work hard to be able to stand on it.*

And it did not work out the way we wanted it to work out, Mr. Speaker, for a variety of reasons.

Mr. Speaker, I believe that we are on the right track. And when the Honourable Member wants to know what plan we are using, we are using the National Tourism Plan that this House approved and that I put in the legislation. They are following the National Tourism Plan, Mr. Speaker.

And Mr. Speaker, I have been very impressed with the CEO. I have been impressed with the Head of Marketing. They are working extremely hard trying to change the paradigm. We have been in a decline in tourism for the past 20-plus years. Multiple Governments have struggled with trying to turn this around. It has only been nine months—nine months—since the BTA was officially launched. Nine months. And now we are hearing all of this today from the Opposition.

But that is fine, I understand it. I have been around for a while, and so all I say is, let us see the results as we go along. Let us look at the results.—

[Inaudible interjections]

Hon. Shawn G. Crockwell: And we have to stand on it.

The Speaker: Honourable Member De Silva, you had great opportunity to speak. You have had the opportunity to speak. I will ask that you allow this Honourable Member to speak. Thank you.

No. Please, take your seat.

Hon. Zane J. S. De Silva: Mr. Speaker, I—

The Speaker: Take your seat please.

Hon. Zane J. S. De Silva: With due respect, the Honourable Member—

The Speaker: Take your seat!

Hon. Zane J. S. De Silva: —has said a few things to me.

The Speaker: Take your seat. Take your seat!

[Inaudible interjection]

The Speaker: Take your seat!

[pause]

The Speaker: Carry on.

Hon. Shawn G. Crockwell: Now, Mr. Speaker, the comments that are being made in relation to my position as a Minister and the fact that now most of the day-to-day operations of tourism have been devolved to the Tourism Authority (and that was always the

plan), I certainly was not making any extra money when I was creating the Tourism Authority and working extraordinarily long hours during that first year or so by having two Ministries. I can recall numerous—and I can name them all—if the Honourable Mr. Roban, sitting in front of me . . . he was a Transport Minister, all by itself, and got the same salary.

An Hon. Member: He got more.

Hon. Shawn G. Crockwell: He got more because I have taken a 10 per cent cut. Okay? The Honourable former Member, Independent Member, Mr. Terry Lister, was a Transport—

Hon. Zane J. S. De Silva: Point of order, Mr. Speaker.

Hon. Shawn G. Crockwell: —Minister.

Hon. Zane J. S. De Silva: Point of order.

Hon. Shawn G. Crockwell: These are facts, Mr. Speaker.

The Speaker: Just one . . . have a seat for a second. What is your point of order?

POINT OF ORDER

[Misleading]

Hon. Zane J. S. De Silva: The Honourable Member is misleading the House, Mr. Speaker. He said he took a 10 per cent cut. They did not take a 10 per cent, it was 7.5 [per cent]. Let us be clear. Let us be factual. It was 7.5 per cent.

The Speaker: Carry on.

Hon. Shawn G. Crockwell: Mr. Speaker, the Honourable former Member, Terry Lister, was a Transport Minister under the PLP all by himself, no other Ministry—got the same salary. And there are others in that party that were Transport Ministers, which is a huge ministry with six departments. And today they are going to get up and say because I left Tourism and I am not doing the day-to-day management that I should take a cut. Is it not just amazing how hypocritical . . . how hypocritical the PLP is?

[Inaudible interjections and crosstalk]

Hon. Shawn G. Crockwell: Hypocritical. And we see it every week when they come here. And what is interesting is the Honourable Member that just took his seat cannot move away—

The Speaker: Just a minute.

[Gavel]

The Speaker: Just a minute. We are not going to have this talking across. Until people are ready and settled, you know, the Honourable Member is trying to make a point.

Go ahead.

Hon. Shawn G. Crockwell: I am starting to lose my train of thought.

The Speaker: Sorry about that.

[Inaudible interjection]

Hon. Shawn G. Crockwell: Now, Mr. Speaker—yes, hypocritical, yes, thank you Honourable Member.

So we are working on it; we are moving forward. We had a rough third quarter. There were certain things that occurred that were outside of anyone's control that had an impact on that. And Mr. Speaker, I believe in the hard-working Bermudians at the Tourism Authority who . . . I have to say, I meet with them, and in reference to these snide remarks about, *I don't know anything* or whatever, I find it really surprising at the level of childishness, Mr. Speaker. When we are talking about high-level business here, we are talking about running the country, and I hear week in and week out nonsense like, *The Minister doesn't know anything*. Okay, we created a Tourism Authority to run independently, but, yes, I meet with my appointed Chairman on a weekly basis.

[Inaudible interjections]

Hon. Shawn G. Crockwell: The Honourable Member should know that if he read the Act—he probably did not—

The Speaker: No, no, no—

Hon. Shawn G. Crockwell: The Honourable Member should know that the Act requires that I receive copies of all minutes on a quarterly basis. Okay? So my connection is with the Chairman. The Chairman's connection is with the CEO. That is how it works.

The Board hires the CEO. The CEO is responsible to the Board. I appoint the Chairman—this particular Chairman—and the Chairman is responsible to me. I meet with him often. I speak to him often. But all we get from the Opposition is childishness week in and week out.

VISITOR INFORMATION CENTRES

Hon. Shawn G. Crockwell: Now, Mr. Speaker, in relation to the gentleman in the West End and that VIC [Visitor Information Centre], I can recall when I became the Minister that this particular concession was

under review at the time, and the department itself was looking into whether or not it was going to extend it. At the gentleman's request we did extend it until December of this year. The responsibility of those particular concessions rests with the Bermuda Tourism Authority. I understand they put out a press conference in relation to it. And if the Honourable Member has an issue with it, he would have to take it up with that entity.

WORK PERMIT POLICY

Hon. Shawn G. Crockwell: Now Mr. Speaker, I want to deal with some matters that were discussed in relation to the pending Work Permit Policy and the impact that it would have on musicians. I know that a few Honourable Members spoke on this. And I just want to clarify what the position is. And the existing position is the case that if a foreign entity wants to have entertainment here, wants to bring foreign entertainment to Bermuda, they would have to also provide an opportunity for locals to participate.

The Minister has looked at that and he has particularly looked at our overall Work Permit Policy and, in particular, when you talk about specialised events. We certainly support 100 per cent our local entertainers having opportunities—there is no question about that, Mr. Speaker. Right now if someone wanted to fill this position, and they may feel that they cannot find someone adequate or suitable in Bermuda, they do not have the requisite criteria to fill that position (whether it is qualification or the like), they will then advertise the position and seek an application for a work permit. If no one responds to that advertisement, Mr. Speaker . . . so if I want to hire someone as an actuary, I put out an advertisement for that position. And if no Bermudians apply, then I have a right to apply for a work permit. If a Bermudian applies and a Bermudian is qualified, then I am duty bound to hire the Bermudian. That is how the Work Permit Policy operates.

Now, I recently attended Oktoberfest in Dockyard where they brought in a specialist band that plays that type of music. If the organisation that wanted to have that type of music advertises and says, *We want to have people who play German folk music* (or whatever it is), and there were no Bermudians that can play that, is it fair to the organiser to say, *Okay, well, although there are no qualified Bermudians who know how to play that music, you are going to still have to hire a Bermudian musician?* That does not make sense.

[Inaudible interjections]

Hon. Shawn G. Crockwell: In those circumstances where you have a specialised . . . well, if Flanagan's wants to bring in an Irish band for St. Patrick's Day and there are no local musicians who play that type of

music, what is the point of having the local musician at that event if they cannot actually play the music?

The logic behind it is the entity that wants to bring in the musician would have to put out for three weeks an advertisement saying, *We are looking for a band to do this*, if a Bermudian can do it the Bermudian will be hired, Mr. Speaker. If a Bermudian cannot do it, the Policy now is adjusted that that entity will be able to get a work permit for that event. It is basically regularising the Work Permit Policy across the board. It is certainly not an attempt to prohibit opportunities for local musicians.

It is without a doubt that our bars prefer local talent. It is cheaper for them in terms of bringing in acts and they want to have . . . as an Honourable Member said (I cannot remember which one) our guests come here, they want to have the local flavour. There is no question about that. The intent of this was not at all to limit opportunities for musicians.

Now, Mr. Speaker, there was talk about the Bermuda Employment Visa and that the Minister has stepped down on his position, and that is not the case, Mr. Speaker.

Again, I want to be clear that any policy coming from this Government, irrespective of which Minister is the lead, is a policy of the Government. Okay? Because too often we want to isolate particular individuals and attack particular individuals. Minister Fahy does not create Government policy. The Cabinet creates Government policy, Mr. Speaker.

Now, there was no step down on this issue. Mr. Speaker, the policies around this work permit issue were draft policies. And I do not understand why the Opposition seems to have a hard time understanding the definition of "draft." It is "draft." We have heard this before. And the draft policies came out of consultation over a period of time with the industry and they gave recommendations on certain things that they would like to see in the reform.

They were "draft," which means that they were open to change. That is the whole point of draft . . . it is in draft form. When I get a draft of something, I have an opportunity to put some comments to it and say, *I would like to see this changed . . . maybe alter that*. And during the period of time when we had those draft policies there were further consultations that took place.

We heard the Honourable Junior Minister say that he had some concerns with the draft policy and articulated those concerns to the Minister. He brought industry leaders, his colleagues in the insurance industry, and they articulated their concerns to the Minister. It was in draft form. The Minister himself had articulated concerns he had with some of the recommendations. And so after the extensive consultation, decisions were made to make some changes. It is not a step down. And it is interesting, if we would have had draft policies and not disclosed them then we would have heard, *Where's your transparency?*

The Minister discloses the policy in draft form, which clearly suggests that it is open to change, and then when he makes a change he is being accused of stepping down on something. Come on! You cannot have it both ways. You cannot have it both ways.

So this has been a process. The Honourable Minister has been extremely open during this process, a very wide consultation. And, you know, I had a chat with the Shadow Minister of Immigration, who I applaud because he is on top of this issue. He is passionate about this issue for the overall betterment of the country. I am convinced of that. If there is one Member on the other side that I believe is passionate about this immigration issue for the betterment of Bermuda, it is that Honourable Member.

And I want to clarify just so that there is not any misunderstanding out there (and I spoke to him first) that there were attempts by the Minister to meet on this issue with that Honourable Member. The Honourable Member accepts that they had e-mail exchanges and there were some scheduling conflicts. The meeting did not happen. But it was not because the Minister did not want it to happen. He was trying to accommodate schedules. The meeting did not happen.

But this Minister is a Minister who has worked extremely hard, who is trying to strike the right balance as it relates to this Government trying to stimulate the economy and come up with policies that are attractive to business, as well as ensuring that we continue to protect jobs for Bermudians.

Now, Mr. Speaker—

Mr. Walton Brown: Mr. Speaker, point of clarification.

The Speaker: Yes, yes.

POINT OF CLARIFICATION

Mr. Walton Brown: Just to remove any doubt, it is correct that the Honourable Member showed me an e-mail from Minister Fahy to myself, but I showed no receipt of that e-mail, and we had that exchange. So it is correct that the Minister did reach out, but I have no . . . I never received the e-mail and—

The Speaker: All right.

Mr. Walton Brown: And that is what we had discussed earlier.

The Speaker: All right, thanks.

Hon. Shawn G. Crockwell: And for further clarification the Honourable Member stated to me that he did not receive the last e-mail, but the train was clear that both individuals were trying to set up a meeting and there was reciprocity there to get it done. It did not

happen, and so there is no intentional issue there as it relates to the Minister.

Now, Mr. Speaker, we also are hearing . . . you know, this issue . . . and I cannot speak too much to it because I am not aware of who instructed whom. But I think that the Honourable Finance Minister made a valid point today in relation to the use of the lawyer for our legal opinion on the entrustment letter. And now, of course, the Opposition is saying, *Oh, well, we've now found* . . . you know, it is funny how they always talk about these things that have gone wrong, but yet we never see, and have never seen, anything substantive . . . you know, it is all this smoke. But the reality is, Mr. Speaker, two things—

[Timer beeps]

Hon. Shawn G. Crockwell: Is that my time?

The Speaker: Yes. Yes, that is your time.

Thank you, Minister.

The Chair now will recognise the Member from constituency 15, Pembroke East, MP Walter Roban.

You have the floor.

WORK PERMIT POLICY

Mr. Walter H. Roban: Thank you, Mr. Speaker.

All very interesting the defence that the Honourable and Learned Member who just took his seat has given around, particularly the immigration policy, because it does not necessarily align with even the Minister's Statement itself about the fact that the policy was a draft, and that we do not know the difference between a draft and another form of a document.

But the reality is that the Minister publicly stated what he was going to put in place and set a date. The only reason he did not follow the date (the Honourable Minister who sits in another place) is because, (1) he says it was not ready for that launch; and (2) he expressed his direct disappointment (because it is in this Statement) as to the change of mind on [the part of] some of the stakeholders. And we have also heard that possibly his Junior Minister has also [had] a conversation [with] him.

So it is not because it was a draft and the draft can be amended, that is not the . . . that is not . . . because even the Minister's own story makes it clear that this thing might have been in place December 1st if the Honourable Minister had not received some of the feedback he had. But I just want to speak to that a little bit because I think this goes to the heart of this particular administration and their own record from inception.

Now, we did hear cries earlier about *this is an example of consultation*. Well, Mr. Speaker, it has been a rough road for the OBA when it comes to this

matter. It has not been smooth. And maybe, perhaps after multiple months, they finally understand what consultation means because there are many bodies in this country (including unions and other stakeholders) which seem [to have] a different definition of consultation from the OBA to other stakeholders in other matters, particularly around immigration and labour. Let us not forget the promises that this Government made around term limits that actually promised a consultative process. And then what happened? Within the blink of an eye the policy was gone. That [caused] people to rise up on [the grounds of this House].

Let us not talk about . . . or perhaps we can talk a little bit about the fact that they had a proposal and a draft policy document about giving jobs to the children of work permit holders. Because of the outcry . . . now who did they consult on that? It does not seem as if they consulted with anybody. In fact, it seemed like there were strange, weary, mysterious explanations as to how it appeared in the policy document. People did not like that so they had to withdraw it.

The Public Bodies Reform Act—we know how the public reacted to that—the Government had to pull back, defer, whatever you want to call it. Changes to the Job Makers Act, people did not feel comfortable with that either and that is because, frankly, it seems as if for most of the time the OBA had a different definition of consultation than the rest of the country. But perhaps they finally have come around to the definition that others, frankly, feel is actually appropriate.

So this has gone the way it has. And when it comes to this particular policy pull back—I am going to call it that, because that is what the Minister . . . and he expresses regret of the change of heart of the consulting bodies, because they are the ones who seem to have influenced the Minister, chiefly, to slow it down or to change, Mr. Speaker.

But Mr. Speaker, perhaps there is also another issue here (and I am not sure that the OBA gets it) around the . . . certainly the issues of immigration and jobs and their relationship with business, because they pride themselves presumably . . . because certainly what they campaigned on . . . they are the ones who have the relationships with business, that this side was unfriendly and that they will be more friendly. This side was not accommodating; they will be more flexible and accommodating. These are the sort of inferences and statements that were made by the OBA when it came to jobs and immigration and labour and the economy.

Well, Mr. Speaker, maybe it is that whole promotion of this posture that has influenced some of these bodies to say, *Well, maybe we need to change a little bit*. Because maybe it is the OBA's deference to business that has people in this country—and I am going to be frank—believing that business is parasitic, is greedy and bloodsucking on the aspirations of Bermudians. Maybe ABIC, ABIR and others now think,

Well, maybe we need to turn down the momentum a bit because we are not looking too good to the people of Bermuda because we are not, certainly, increasing their jobs. Because we know there has not been an increase in the job market for international business, it has been steadily declining for a variety of reasons.

ABIC and ABIR cannot tell you that they have increased jobs by hundreds or whatever. The OBA has not met their 2,000 job mark. Locals are feeling like they are being pushed out of the labour market. We have a policy that potentially would give 20 per cent of certain job categories free of work permit review and they would go straight to the overseas applicant, potentially shutting Bermudians out with [a valid] experience base out of the market and only controlled for entry level.

Maybe they are realising that after spending decades of trying to say international business is all of us, that people see them . . . it is them against us. I am not saying that this is the truth. I am just saying that maybe that is the perception that has been built up over the past 20 months. And maybe those groups have seen that, and are now telling their favourite Minister for Labour and Immigration, *Slow it down a little bit. Let's take a lot closer look at this because we are not looking too good out there to the average Bermudian worker. We're not looking good out there to the young person who is overseas who sees their mother and father and cousins pushed out of a job. We're not looking good to the people who are hosting us*. So maybe we need to slow down this momentum that the OBA was proud to create—we are open for business—maybe “open for business” means something different to the Bermudian worker than it does for the business supporting the OBA and their associates.

So maybe this is a part of that because we know that many of these business groups have Bermudians at the top running them, and maybe that is what they are sensing. Now, it is purely hypothetical. I am just saying what I think, because I know what people tell me. Listen, my constituency is not Fairylands. It is not Knapton Hill. It is not Tucker's Town. It is the village. And a lot of them have experienced some of the harder aspects of what the recession has brought to the country. So I know what they see and what they believe, and it is not the same person who lives in Fairylands or Mill Shares or Point Shares, or West Pembroke, Shore Park—it clearly is not.

So perhaps this is because of a realisation, and they are telling the OBA to slow it down because we are concerned about how we are being seen by the Bermudian worker. We have seen the tension in this country go up. We have seen the temperature rise—and I am not talking about whether it is 70 degrees outside or not. If you are smart you can sense that the temperature is rising. They saw the march up to Government House. Everybody saw that. Everybody saw the marches up here on this House. I

am sure they listened to the radio shows and the talk shows and read the blogs. The temperature is rising. And maybe this pull back is a sense of the temperature.

Mr. Speaker, I want to move on. How much time do I have left?

The Speaker: [You have] 10 [minutes] 30 [seconds].

Mr. Walter H. Roban: Okay. Thank you, Mr. Speaker.

[Inaudible interjection]

Mr. Walter H. Roban: No, even I would not want to speak that long.

Mr. Speaker, the airport . . . well, I must say when it rains it pours, and for this issue it has been pouring for days.

An Hon. Member: Yes.

Mr. Walter H. Roban: It seems . . . it seems . . . pouring—

[Inaudible interjection]

Mr. Walter H. Roban: Well, an Honourable Member, Mr. Pettingill, says I am doing a rain dance. I have no Native American or Pequot blood, so I do not know how I could do a rain dance.

[Inaudible interjection]

AIRPORT MOU

Mr. Walter H. Roban: Perhaps I have some Carib [blood] because my father is from St. Vincent. So maybe . . . but that would be all it would be. It would not be anything else. All right? And so I do not have the ability to do a rain dance. And I am not responsible for the weather, but it has been pouring on this one.

I would like to make a point, Mr. Speaker, partially from where I left off at our last debate about the airport and its value to the country, which is why we on this side are extremely diligent on what we are bringing to the table around this issue, Mr. Speaker.

Now, we have certainly heard a lot from the Finance Minister, and I was very keenly observant about what the Finance Minister said, because in the last debate I said I had difficulty with the way the Finance Minister was presenting the arguments around this issue in that there seemed to be a tendency to want—and it is in the Hansard—to destroy other things to build up the argument, discredit the RFP process for the hospital and other projects, to build up the non-RFP process.

It is almost like the OBA has gone through this schizophrenic, sort of strange personality change. Be-

cause when you saw them as Opposition, Mr. Speaker, they dogged us about lack of RFPs on certain projects. RFPs were good then. But now RFPs are not so good.

Public P3 projects were [viewed] very sceptically by the OBA Government and their Members prior to being Government. A number of Members, including the Honourable Dr. Grant Gibbons and the Honourable Bob Richards, their comments are on record . . . and I would say arguably even the former Health Minister Pat [Gordon]-Pamplin seems to want to throw certain cold water on the long-term ramifications of P3s.

[Inaudible interjection]

Mr. Walter H. Roban: I did say the Honourable Member Grant Gibbons.

[Inaudible interjection]

Mr. Walter H. Roban: And the Honourable Member Mr. Richards and the Honourable Member [Gordon]-Pamplin. They all have seemed to suggest, or at least say directly, that PPPs are . . . you know, *We do not know about that*. But now, hey! They seem to be rushing towards the PPP, at least from a model that they are arguing is good.

Now, I also heard the Honourable Finance Minister kind of start his argument last week with throwing cold water on PPPs and the way that the previous government did the programme. And, yes, the . . . like the whole idea to us of a potential 35-year period where the airport will not be controlled by us, potentially a billion dollar loss in revenue, is a serious thing for us. And particularly, on the back of that possibility, we have had virtually little, if not minimal, information from the Finance Minister, other than the MOU.

We are getting trickles of information. And I frankly think that the only reason we are getting it is because the temperature [has been] turned up a bit on it. Because as we can see with what went on down on Front Street with the Public Bodies Reform Act, the Finance Minister does not necessarily deal with public scrutiny in the best way.

But I would argue, Mr. Speaker, that the airport is more valuable than just the \$22 million in revenue that it generates. Without the airport there is a whole lot of revenue streams we would just not have. We would not have the Hotel Occupancy Tax. The majority of people who come to Bermuda come on an airplane [and] stay in a hotel. That is about \$10 million. There is the airport departure tax, \$14 million. There is a percentage of the Customs Duty, which is a huge part of our Government revenue, around \$17 million or so, which is from that. So added on to its basic revenue stream that it generates, it generates a whole lot more. So the airport is of real value. Without

its presence there are certain things that just would not happen in this country, other than the fact that it occupies a huge amount of land space and there is huge revenue potential there, and we are just calculating on the basis of the existing revenue. So that is why we are passionate, Mr. Speaker, about that . . . about the potential for a billion dollars [of lost earnings] for [a period of] between 30 to 35 years.

And if you look at the model that this Government has referred to, Mr. Speaker, the Quito model, it is a privatisation model. That is what it is. If you read it, it is a privatisation model. And it is even . . . and this is the other part (I slightly digress) where it seems as if the Finance Minister went from demonising other PPP projects that are in this country to softening his position as he got further on in the debate and the arguments were coming. In that, *Oh, this is only . . . there is one difference of this from the hospital.* Well, if you read about the Quito model, it is based on the classic P3 formula—design, build, finance, maintain—or but those four in a certain order.

It was done on that same model, the same model as our hospital, where the developer raised the financing. It is pretty much based on the same model. And even the Finance Minister has to admit that—that the only difference is the guarantee that we provided for the hospital would not be on the balance sheet of our Government. That is the only difference.

Well, Mr. Speaker, do we have to follow this strict regime that they are attempting to force on this country to actually evade some of the exposure or risk that they argue would we have if we do not follow it? If they go out to the international community, it is quite possible they will find that, particularly if that is what they prescribe they would like to have. We do not know if we are getting the best deal. We do not know if we are getting the best deal because they have only gone to one sole source entity.

At least we can say that all of the groups that bid for our hospital were the best in the world at doing that work—the absolute best. I cannot necessarily say that . . . I am not suggesting that Aecon or CCC or all those companies that work with them are not good. But I do know what happened with the other project we did. The best came to our door and put forth proposals which we ran through a process to review.

Now, there is the other point about avoiding the expense of the consultants. You know the OBA likes to demonise consultants, Mr. Speaker. It is quite amazing the things they do. We will not have to pay the \$10 million or more that the PLP or the BHB paid to all those consultants, but we will retain an independent contractor advisor (I believe was the term the Government said).

Well, Mr. Speaker, do you really believe that they are going to be able to maintain, to have an independent contract advisor for less than \$10 million on a \$250-plus million project? Do we really believe that from start to finish some international contractor is

only going to take less than [\$10 million] to advise us on every aspect of a major infrastructure project of that value?

Listen, I know . . . I do not take any stimulants. Right? So my mind is clear. I am sorry, I am not buying it. Just like I said last week, those words that you said I should retract—I am not going to use them—but this one has got an odour. It has got an odour, and it is not an odour that smells like Chanel. It smells like something else. Chanel No. 5 or perhaps, you know, people have their preferred perfume. Or Gucci or whatever it is. It does not smell like that. It smells like something else because the arguments that the OBA and the Finance Minister and their advocates for this project keep coming up with, keep getting bashed.

And if the Honourable and Learned Tourism Minister wants the proof of what we say—because he seems to believe that we just make up stuff—the document is right here. It is a CCC document that talks about the law firm (and it is a footnote in the document that is done by CCC) and it says, “CCC has retained Bennett Jones” . . . Mr. Speaker, if you will allow me to read—“for third party advice on this file.” We can provide the document; that is what it says, and it was in the document on page 3.

[Gavel]

Mr. Walter H. Roban: Anyway, I have said all I have to say.

[Timer beeps]

The Speaker: That is it, Honourable Member. Say no more.

[Gavel]

Mr. Walter H. Roban: Let them be judged on that.

The Speaker: Say no more.

Thank you.

The Chair now recognises the Honourable Minister for Education and Economic Development, Minister Dr. Grant Gibbons.

You have the floor.

WORK PERMIT POLICY

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker.

Mr. Speaker, I would like to weigh in on a number of the topics that have been, I guess, started in the motion to adjourn this afternoon. And I am going to come back to it, but I would just like to say that as I listened very carefully to the last Member who took his seat, what I heard for the most part was a lot of speculation—what might happen, why people might be doing things, where we might go, what money we

may be giving up, and all the rest of it. And that is part of the problem with the exercise we have seen so far in the last couple of weeks, particularly on the airport project. But I would like to come back to that because I think we are seeing a certain pattern in the way this debate is being handled, particularly by the Opposition.

But let me start off on some of the earlier comments on the Work Permit Policy by the Honourable Member Mr. Brown on that side.

I noted very carefully that he actually commended the Government for reconsidering this issue of the global . . . sorry, the Business Employment Visa. And I think that sort of cuts to the chase of it because the words “balance” and “flexibility” came out from that Honourable Member, and they came out from other Honourable Members on that side as well. And I think that that is really important.

Let me state right up front that it is clearly . . . and I am not the only one on this side that has articulated this, I think it has been articulated again and again and again. Bermudians come first in terms of Work Permit Policy. That is clearly the position of this Government.

But, Mr. Speaker, there is another issue that we need to consider, which is [that] we need to get the jobs here in the first place. You cannot have Bermudians being considered (unless you are going to be arguing over a declining piece of the pie), unless you get the jobs here. And when we come down to this issue of balance and flexibility, obviously there is a difference between how this Government sees it and how the former Government sees it. And we know what happened with the former Government, there was a wholesale exodus of jobs out of this Island over a 10-year period, and particularly in the last five years.

In fact, from 2011 to 2012 over a thousand Bermudian jobs were lost. Now, Mr. Speaker, I think we all understand that that was an extraordinary decline and that was in a period when a lot of other countries were not suffering negative economic growth. So it is not as though we can blame it on the United States, or the UK, or Europe, or Canada or wherever else. Those countries had positive economic growth during that period. It was only Bermuda that had negative economic growth. And I think the point that I am trying to make here is that unless you can get people to establish jobs in this country, unless you can get people to maintain jobs in this country, then it is almost an academic exercise as to who gets them. Because if they keep going out the door—which is a problem that the former Government had with their policies—then I think, you know, we are in a very, very difficult situation.

So when the Honourable Member Mr. Blakeney says, *We talked to international business. We consulted with them*—and I think the answer is, *I am sure you did* . . . I am sure there were lots of discussions. But what happened was you lectured them

and they left. Those jobs left because . . . and it came through very clearly, certainly, in the first year of the One Bermuda Alliance Government that the climate here in terms of job creation was toxic.

I have said this story in the House before, Mr. Speaker, that it was probably about February/March of 2013, I met with about a dozen senior HR Directors of a lot of these household name companies, some of them are based in Bermuda, a good number of them were based overseas. And we were talking about some of the change, particularly the removal of term limits at that particular time. And what came through loud and clear was Bermuda was not even on their radar screen. It was too difficult and too complicated to even move jobs here. They were not putting any more jobs here; they were not considering putting any more jobs here—and we are talking about companies that had jobs here and still have jobs here—because of the difficulty they had in this particular environment.

So, yes, there is an issue of balance and flexibility. And unless that balance and flexibility works for both Bermudians and for these companies, we are not going to see those kinds of jobs here. And we all know, Mr. Speaker, there has been, and continues to be—and I have to say not at anywhere near the rate of decline—but there still has continued to be a certain amount of downsizing here. There is also the creation of new jobs as well, but we are seeing additional confidence.

The Premier and I were at a seminar last week—it was the EY Hedge Fund Conference—and the Premier said categorically to the members there that were both Bermudian (a lot of local and some overseas as well), our job is to create jobs for Bermudians. Bermudians come first in terms of the job market. There were no ifs, ands or buts about it. There were no winks there were no nods, it was very, very clear. But at the same time we managed, I think, to create . . . and we have managed to create over the period of the last year or so, an increase in the confidence that employers will be treated fairly and, I believe, that Bermudians will be treated fairly as well. And we know what the ratio is in international business—for every non-Bermudian there are two Bermudian jobs that are created. But we have got to get those jobs here and we have got to maintain those jobs here.

So the balance that we saw before with the former Government simply was not working. You cannot let your people . . . you cannot make life difficult for companies and expect them to want to put jobs here. And I think that is the distinction; that is the difference. And I still get a sense that that balance is not correctly understood. And I understand the . . . immigration and Work Permit Policy is as some people say “the third rail of politics”—it is a highly emotionally charged issue. But we have got to be able, I think, to try and find that balance.

And I think . . . you know, believe me, we are all Bermudians up here and we are trying to create not only additional jobs with those companies here, and we have said, *We want you to put more boots on the ground here.* We want those jobs. But we are also trying to create an attractive environment where new companies come in and set up. And we have seen some of that growth in the last year or so. And based on at least this one conference we were at last week there is a great deal of good feeling about the direction it is going—ILS, asset management, things of that sort. Will it add 2,000 jobs by next week? No. But you have got to start to get the confidence back, you have got to start to get new companies set up, you have got to start to have leaders in this industry start to use Bermuda. And I think we are making reasonably good progress on that track.

So the simple issue is that if you speculate, as the Honourable Member who just took his seat was, that these companies are, I guess, greedy, blood-sucking on the aspirations of Bermudians, that is not a very good message to send, Mr. Speaker, because it is basically saying that the Opposition—which everybody understands plays an important role here—is not basically treating these companies with credibility. It is not basically supportive in terms of I think what we are all trying to do here, which is build jobs and build confidence and build a sense of welcomeness here. So we have got to create the jobs first before we start to argue over who gets the declining number of jobs that was certainly happening under the former administration.

So in terms of this broader issue of the policy, I think the Minister and certainly the Shadow *[sic]* Minister have already said that there was extensive consultation over the course of the summer. He read out a list which included groups like the BTUC—

Mr. Walton Brown: Point of clarification, Mr. Speaker. I think the Honourable—

The Speaker: Clarification?

POINT OF CLARIFICATION

Mr. Walton Brown: I think the Honourable Member was referring to the Junior Minister as opposed to the Shadow Minister.

The Speaker: Oh, yes. Yes, he was talking about the Junior Minister.

Dr. the Hon. E. Grant Gibbons: Thank you. I was talking about the Junior Minister who talked about the groups that had been—

The Speaker: Yes, it was the Junior Minister.

Dr. the Hon. E. Grant Gibbons: Yes.

So I think . . . and Mr. Speaker, nobody is perfect. Circumstances may change, people may see things slightly differently. I think perhaps that is part of the point that was being speculated about on the other side. But the fact of the matter is the Minister is responding to some concerns about one particular part of this. And I know the Minister listens and he will certainly address this on an ongoing consultation basis.

So to suggest, which I think was the suggestion earlier on, that there had been inadequate consultation or even very little consultation is simply not the way it was working.

AIRPORT MOU

Dr. the Hon. E. Grant Gibbons: Now, I would like to shift gears for a second and talk a little bit more about the airport project. And I have not said very much up to this point, Mr. Speaker, but I guess I am getting very concerned because what I am seeing is a pattern of debate which I do not think is very healthy. And the way this pattern of debate works—and we have seen it a certain amount tonight as well—is you set up a straw man (in other words you make a claim like the Government is privatising the airport), and then you proceed over the next 10 minutes or 15 minutes to demolish that claim, to say why privatisation is bad, why the Government should not be doing this, when in fact the Government is not privatising the airport at all.

Mr. E. David Burt: Point of order, Mr. Speaker. Point of order.

The Speaker: Yes.

POINT OF ORDER

[Misleading]

Mr. E. David Burt: The Honourable Member is once again misleading the House. The Minister of Finance in his initial statement stated that he . . . that the Bermuda Airport Authority would sign a concessionary agreement with the contractor. The [University] of Westminster describes, the World Bank describes concessionary agreements for public infrastructure projects are privatisation.

The Speaker: Thank you. Thank you, Honourable Member.

Carry on, Minister.

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker.

Mr. Speaker, we simply do not agree with that. I just spoke to the Minister of Finance a few minutes ago and I said, *Look, are you privatising the airport because we keep hearing this again and again and again?* He said, *No, this is going to be a partnership with the CCC going forward.*

Now, let me continue to build on that to some degree as well because I think there is also another straw man that is being thrown up that somehow we will lose the assets of the airport. That, Mr. Speaker, is simply not the case. We will retain the land and buildings of the airport. But I think, again, what is important about this is a lot of this at this stage is speculation. And I think, you know, when this was originally announced there was a general sense that this was an absolutely done deal, we had sold off these . . . I think as we continue to hear it, these extraordinarily valuable assets, we had given up a billion dollars and everybody is wondering—at least on this side—what are they talking about?

This is a process that is going to take some time to move along. It started with a Memorandum of Understanding, which is a non-binding legal document. It then goes into other agreements. But there are a whole series of steps here which have to take place over a period of time. And I think what is so interesting about this is . . . and let me just take this issue of the billion dollars, because on the one hand the Opposition seems to be terribly concerned about this billion dollars of revenue—and I know they are trying to do a back of the envelope calculation here—but when you look at a project which obviously happened under their watch (which was the PPP at the hospital), if you look at the annual fee which needs to be paid to the partners in the Public Private Partnership which is about—

[Inaudible interjection]

Dr. the Hon. E. Grant Gibbons: My honourable colleague says \$30 million. My understanding was about \$27 million a year.

You take that forward and you add that up over 30 years, that is on the order of \$900 million. So on the one hand they have no problem . . . they have no problem with giving away . . . well, it is not even giving away. That is money that the hospital has to pay. We have to find from revenues at the hospital, we have to find . . . either that or from Government money or grants or subsidies or things of that sort. They have no problem giving away \$900 million on the hospital project, yet they are screaming and shouting about essentially what they calculate (and I am not sure where they get these numbers)—the so-called billion dollars that we are giving away on the airport.

Mr. E. David Burt: Point of order, Mr. Speaker.

Dr. the Hon. E. Grant Gibbons: Mr. Speaker, there is no—

The Speaker: Yes.

POINT OF ORDER

[Misleading]

Mr. E. David Burt: Point of order, Mr. Speaker. The Honourable Member is misleading the House. The Opposition has not complained about the billion dollars, the Opposition has complained about the billion dollars without an RFP.

The Speaker: Thank you.

Mr. E. David Burt: The hospital project partner had an RFP.

The Speaker: All right.

Dr. the Hon. E. Grant Gibbons: Thank you, Mr. Speaker.

That Honourable Member could have fooled me. All I was hearing this week and last week was this billion dollars that we were *giving away*—

[Inaudible interjection]

Dr. the Hon. E. Grant Gibbons: —and that is a straw man, Mr. Speaker. You set up a false proposition—giving away a billion dollars—and then you proceed to demolish it.

Mr. Speaker, we are not giving away a billion dollars, we simply are not. But I am trying to draw a contrast between what seemed to be okay a couple of years ago and what now, because it is the Government, is very different. And I think it all sounds very suspicious in terms of motives here.

Now let me continue to address this issue as well, and that is with respect to this billion dollars (and I think some people may have pointed this out already). There is a thing here called time value of money. Okay? And I know the Honourable Member who just interjected understands this as well. A billion dollars over 30 years is not worth a billion dollars today. It is simply not. That is because there is a cost of that money. And so when you actually take what is called . . . when you discount it and you take a present value of that, what you are probably looking at is something (I have not done the calculations, it depends on what interest rate you want to take) it probably works out to something on the order of \$100 million to \$200 million.

The same principle is true with mortgages on a home. You are paying mortgages out—interest and principal—over a period of time, but it goes into the future. If you add all that up it is a very large number, but if you discount it back to the present day it is actually, in some respects, a fairly small number. And if your inflation rate is pretty high, it actually sometimes even washes away. But anyway, that probably is something that people do not want to hurt their ears with, but there is this issue here which makes this straw man even more ridiculous in certain respects.

So what I was about to say, before I was interrupted there, was that there is also this very basic

principle, and that is [that] there is no free lunch. If you want a new hospital, then you are going to have to pay for it. The procedure that was taken before was to spend millions of dollars in consultant fees. And my honourable colleague, the Minister of Finance, says it was about \$10 million. We do not have that kind of money right now, Mr. Speaker.

And then you have to go through a very complicated structure to go through the sort of bid process and all the rest of it. But the fact of the matter is that at the end of the day, because there is no free lunch, if you want a new hospital or you want a new airport, and what you get out of a new hospital or a new airport is the use of that new hospital or that airport, you have got to pay for it. You have got to pay for it. Okay? And therein lies the issue.

Now, if we had a pretty clean balance sheet and the rating agencies were not continuing to ride shotgun on us with very close attention, we might be able to go out and actually borrow that money. But we cannot, Mr. Speaker. We were left with an extraordinary debt by the former Government. Admittedly, in order to be able to get us back on the right track we are continuing to spend on a deficit level which the Minister of Finance is working down over a three-year period, but we simply do not have the ability on our balance sheet to essentially borrow that \$200 million. Whatever that money amount may be, we do not know at this point. We are going to have to figure out what that amount is. And that is why these straw men that keep coming up are simply inaccurate and false. We do not know what that is going to be yet, Mr. Speaker. We have got to work through this process.

But if we had that we could go out and borrow it, but we do not. So what the Minister of Finance has come up with is a different approach, and that is an approach using essentially this sovereign company—CCC—and the loan goes on their balance sheet and it is basically underwritten . . . sorry, not underwritten, but it is guaranteed by the Canadian government. So when you see in the entrustment letter, which was tabled today by the Minister, that one of the conditions is “The cost and financial risk of the redevelopment of the airport must not appear on the Government of Bermuda’s balance sheet as defined by the latest International Accounting Standards”, that is exactly what the British Government is saying as well. *We do not want you to have whatever this amount of money is to build a new airport on Government’s balance sheet because we, the British Government, are already worried—unstated, but they are already worried—about the money that you have got as debt so far.*

So this is a way to basically get a new airport . . . to get a new airport where it is going to be guaranteed to be on time and within a certain budget. That is what CCC will do. That is what the Canadian government will do. There will be what is known as a “fairness opinion,” which is another way of getting an independent third party to say, *We’ve looked at the*

deal. We do not know what that deal is yet, but they have got to go through looking at what kind of an airport we can afford, what size, the scope, where it is, all those kinds of issues need to be sorted out.

There are all kinds of steps along the way where the Government of Bermuda can say, *No, we don’t like it.* There are also steps along the way where the CCC can say, *No, we don’t like it. It’s not going to work for us yet.* So there is no done deal at this particular point. But the issue here is this is a way to get us a new airport, to create the jobs and the construction and, as the Honourable Finance Minister said, there will be certainly a bidding process in terms of allowing all kinds of local construction companies to get involved in this. So there will be RFPs on a slightly smaller scale as part of this.

Thank you, Mr. Speaker.

The Speaker: The Chair will now recognise the Learned Member from constituency 34, Sandys South Central, MP Kim Wilson.

You have the floor.

Ms. Kim N. Wilson: Thank you, Mr. Speaker.

I would just like to spend a few moments on some of the legal issues that seem to have surfaced today, principally for the edification of those persons that may be listening that may have some questions as to how to follow this debate when various legal terms and so forth are floating around.

Let me start first of all with respect to what an “entrustment letter” is. Mr. Speaker, when I served as the Attorney General, I was all too familiar with the content of the entrustment letters that existed, particularly the most recent one executed by the Governor at the time Sir Richard Gozney.

[Mrs. Suzann Roberts-Holshouser, Deputy Speaker, in the Chair]

Ms. Kim N. Wilson: And effectively the entrustment letter, Madam Deputy Speaker, is a . . . I could say a contract, but I guess I could be a little bit facetious and say it is an order—it is a direction from the Government of the United Kingdom to us as a Colony to allow us to do “X, Y, Z” under “A, B, C” criteria. Now I am not going to go into the whole issue concerning independence. If we were a different nation we would not even be having this discussion. However, it is what it is, and an entrustment agreement does exist.

Again, in short, Madam Deputy Speaker, it is effectively a document that the . . . it is an order from the UK Government saying, *Yes, you are permitted to do certain things. However, these certain conditions must be abided [with] or we will not let you do it.*

So, for example, the entrustment letter that was tabled today dated 10 November indicates a number of provisions. And it effectively indicates that the Governor is agreeing that the country of Bermuda

can contract with the Canadian Commercial Corporation (a Crown Corporation). And then it goes on and says in paragraph 3, Madam Deputy Speaker, “subject to the conditions.” So “subject to” in legal terms . . . basically you can do it but you cannot do it unless you do this. So they are going on in the paragraph first saying, *Yes, it is okay for you to contract with Canadian Commercial Corporation subject to* (that is the proviso) *the condition that you do 4, 5, and 6.*

In particular, my eye is drawn to paragraph 4(b) which speaks to this redevelopment, and we will all agree that this is certainly the largest infrastructure development we will ever see in our lifetime and probably generations before and generations to come. So the Government of the United Kingdom is saying to the Government of Bermuda, *Yes, you can go ahead, pursuant to this entrustment agreement, and negotiate with CCC. However, subject to . . . you must ensure* “that the project for the redevelopment of the airport must meet value for money tests in accordance with best practice set out in Her Majesty’s Treasury’s Green Book.”

Now, we already heard earlier today that there are financial instructions that are applicable to tendering processes here in Bermuda. We have also heard from the Honourable Minister of Finance that under certain circumstances the Auditor General can basically waive that particular requirement and allow the Government to not have a tendering process. I am hopeful and confident that in the spirit of transparency and accountability we will see that document tabled in the House very soon by the Honourable Minister so that we can all see what the Auditor *[sic]* General—

[Inaudible interjection]

Ms. Kim N. Wilson: Sorry, the Accountant General, thank you.

—indicated with respect to the permission being granted to waive those very, very critical financial instructions.

Nonetheless, the entrustment agreement that the UK has indicated . . . has sent to Bermuda is saying, *Well, you have to look at the Green Book.* And when you go online and, you know, google . . . I have heard a number of things today about, *Oh, where is this information coming from?* And I will tell you. I am a Google fiend. Everything you want to know is online. In fact, Her Majesty’s Treasury Green Book, which is referred to in the entrustment letter, is online. So you can see the provisions that speak to the requirements for the tendering process and the like—the best . . . sorry, money tested in accordance with best practice.

I am going to just change the tack for a moment. I just want to explain for those that listen, that is what an entrustment agreement is—it is a direction, it is an order, it is like a contract saying, *You can do, yes, this, subject to that.*

So let us move away from that for a moment because I am hopeful that at some point in addition to the Auditor General statement being tabled, but that the Government would strongly consider what is set out in the entrustment agreement.

Actually, let me just pause for a moment. I note that the Government is of the mindset, through their lawyers, that this entrustment agreement . . . this further entrustment agreement is not necessary because the first entrustment agreement that I referred to signed by Sir Richard Gozney is wide enough in scope that [it] permits the Government of the day to enter into what amounts to the allocation of a major asset of Bermuda, albeit for 30 years (three generations, three decades) to a foreign government, and is not contrary to the existing entrustment agreement.

And we all know that if you have 10 lawyers and I . . . let me stop and say this: I am certainly not attempting in any way by what I say now and what I will be saying in the next few moments to malign any type of professional integrity, et cetera, of any law firm in Bermuda. But most people know that if you have 10 lawyers asked for an opinion you will get 20 opinions. And I find it somewhat curious that the law firm that has been retained by the Government of Bermuda to deal with the determination and providing legal advice as to whether or not an entrustment agreement is necessary for entering into a contract with the Canadian Commercial Corporation has a tie to the Canadian Commercial Corporation. And let me tell you why.

Let me just go through a little bit of history of what we have talked about, Madam Deputy Speaker, if you will allow me, in the last couple of weeks, in fact, in seven days. Last week you will recall we heard in this Honourable Chamber that the Government of Trinidad and Tobago in 2012/13 had hired and retained the services of the same CCC, the company we are talking about today, to build a hospital. We also heard last week in the Chamber that this CCC company contracted another company called SNC-Lavalin (I am just going to refer to them as SNC). So right now all we need to know if there is the CCC company (the subject matter of today’s conversation) who contracted with SNC. And this SNC company happened to be the subject of numerous investigations in Canada [with] a civil suit as well as a class action suit being filed against this company for bribery and corruption charges.

In addition to that, we heard last week that the World Bank issued a 10-year sanction against SNC as well as 100 of its subsidiaries because of criminal and regulatory infractions, unethical businesses, as well as other illegal and bribery charges. In fact, the World Bank concluded that as a result of the business operations of SNC and its subsidiaries, Canada’s corporate image was drastically damaged because Canada now dominates the World Bank corruption list largely thanks to SNC. And when you do another little Google

research you can look at and I can cite this, this was the . . . what is the French newspaper in Canada?

[Inaudible interjections]

Ms. Kim N. Wilson: No, there is a French one, *Le Passé* or something. I do not know. I cannot speak French.

But there is . . . it is on the Internet, but it is a French newspaper, highly respected. In any event, in this newspaper, Madam Deputy Speaker (I am sorry to digress), it indicates that Canada now dominates the World Bank list with respect to countries that have . . . I am sorry, the corruption list.

But in this newspaper it was interesting because it talks about the Royal Canadian Mounties (and we all know about them). They actually secured documents during a search warrant executed on SNC headquarters (the same company we have been speaking about) and they found documents confirming the fact that SNC had paid \$160 million in bribes to the son of Gaddafi.

Now we spoke this morning at great length about our anti-money laundering legislation and things that Bermuda is trying to do to guard against and mitigate against money laundering. And it is just interesting that this company—SNC—has some very, very strong ties to some very dangerous individuals and organisations, which no doubt is why they are on the World Bank top ten list with respect to bribery and corruption.

So now fast forward seven days. Here we are today. We learned in this House that in September of 2013 . . . and this, again, is on the website if you can just give me a moment, because it is online for everyone to see, and it is entitled “Enhanced managerial review of SNC-Lavalin.” It was commissioned by CCC. So following—let me give you a background—so following all the allegations and the World Bank listing and so forth, CCC, obviously for rightful reasons, was somewhat concerned about their business partners. So they thought, *Well, look, let’s commence a review. Let’s have an enhanced managerial review of SNC so that we can ascertain to what extent this is a partner that we should continue doing business with, et cetera.* And I commend CCC for doing their due diligence.

And if you will allow me for a moment to read from the report dated September 16, 2013 (and it is labelled “Privileged and Confidential”), and under the Executive Summary . . . one moment, and I am reading from the report: “As the Government of Canada’s contracting agency, CCC’s mandate is to increase access to foreign government markets for Canadian exporters of goods and services.” And then it talks about when it was founded, but I thought that was interesting about what their mandate was.

Prior to working with . . . prior to their mandate—

[Inaudible interjection]

Ms. Kim N. Wilson: You want me to read it again?

“To increase access to foreign government markets for Canadian exporters of goods and services.”

And then in the contents it speaks about, “over the past two years SNC has been the subject of criminal and regulatory investigations as a result of allegations of illegal and unethical business practices. The investigations, which have not all been concluded, have resulted in the arrests and criminal charges against former SNC employees as well as the World Bank debarment of the company for a period of ten years. In light of the debarment, investigations and charges, CCC has undertaken an enhanced Managerial Review of SNC-Lavalin’s revised business approach.”

Okay. So when you go on to read in this review it speaks to the lawyers that were retained because of their legal experience in the field of anti-corruption compliance matters, as well as providing ongoing advice and recommendations to CCC was none other than the law firm of Bennett Jones. And then today we hear, following a series of several questions, the Honourable Minister indicated that the Government of the day was advised by, took legal advice from a law firm that confirmed that there was no reason for an entrustment agreement to be made and that they could continue on their path of entering into a contract with CCC void of the Government of UK, void of Government House, and void of this entrustment letter. And that one law firm that gave them that advice was Bennett Jones, the same law firm that we have such spoken about that advised CCC in their managerial legal review of SNC.

[Inaudible interjection]

Ms. Kim N. Wilson: September 2013. I will send you the site.

So I say all that to say that sometimes truth is stranger than fiction. And what is somewhat concerning to me is that we have a legal opinion being provided by no doubt a very reputable law firm to the Government indicating that there is no need for an entrustment agreement and the Government can continue on its way to contract with—sole source contract, nonetheless—with this CCC. But yet that same law firm is in fact the law firm that advised CCC with respect to this managerial review.

Now, I am not suggesting for a moment that the Code of Professional Conduct which we as lawyers are duty-bound to adhere to has been broken; however, sometimes when things are very, very close to the line it creates an unnecessary air of suspicion, it creates an unnecessary air of uncertainty, and my fear is that this will create unnecessary adverse consequences for Bermuda from a reputational point of

view. And my hope is that the United Kingdom Government are successful in ensuring that the Government does abide by the terms of this entrustment letter, which will require and necessitate them receiving three bids for a project that, as I have indicated previously, is mammoth.

It is going to be very interesting days to see how this pans out because if the Government decides to . . . what is that phrase about? Oh . . . dig in its heels . . . and if the United Kingdom Government decides to dig in its heels, we shall see some interesting times. But nonetheless the entrustment agreement says that it requires three—a minimum of three—bids as outlined in Her Majesty's Treasury Green Book.

I wish the Government would reconsider this as well because of the importance and the submissions that have already been advanced today with respect to the need for due diligence, et cetera, and not just go gung-ho on just this one particular company, and [therefore] widen the scope so that we can be assured that Bermuda gets best money for its services.

Thank you.

The Deputy Speaker: Thank you very much.

Are there any other Members that would like to speak on the motion to adjourn?

The Chair recognises the Member from constituency 24, Warwick South East, Mr. W. Lawrence A. Scott.

You have the floor.

Mr. W. Lawrence Scott: Thank you, Madam Deputy Speaker.

I honestly had not—and I know I say this time and time again, but I had not planned on speaking this evening.

[Laughter]

Mr. W. Lawrence Scott: But it is just the actions that I saw earlier today on behalf of the Government in Question Period that really concerned me.

Actually, those actions reminded me of an Indian proverb that I learned back in university. I had a Indian girlfriend in university that was from India and she had some wise [sayings]. One of her proverbs was, *You can be arrogant and knowledgeable, or you can be humble and ignorant. But you cannot be arrogant and ignorant.* Madam Deputy Speaker, that is what I saw today. I saw somebody who was very arrogant but was not knowledgeable of the subject matter that they were being arrogant about. What it told me was that this person's arrogance is actually a defence mechanism. The defence mechanism is that when they do not know—

POINT OF ORDER

[Imputing improper motives]

Dr. the Hon. E. Grant Gibbons: Madam Deputy Speaker, I think the Honourable Member is imputing both improper motives and also getting a little bit personal here as well.

The Deputy Speaker: Thank you, Member.

Mr. W. Lawrence Scott: Madam Deputy Speaker, if that Honourable Member could tell me who I am talking about that would be very interesting because I have not named any names. Therefore, it sounds like a guilty conscience on that side, Madam Deputy Speaker.

The Deputy Speaker: Member, be aware. I am paying attention.

Please proceed.

Mr. W. Lawrence Scott: Thank you very much.

I think it is a defence mechanism because they become very arrogant, but they do not [give] any facts or figures.

[Inaudible interjection]

Mr. W. Lawrence Scott: The Honourable Premier says, *Like me.*

Funny that he should mention that, because I have another saying, *If you feel as though you are the smartest person in the room, you are in the wrong place.*

It is a good thing that one of the Ministers is not in the room right now because they are not the smartest person here. So I feel very confident when I say that when it comes to the airport in this Honourable Chamber I would be considered the subject matter expert.

[Laughter and inaudible interjections]

Mr. W. Lawrence Scott: That comes from my 18 years of real world experience and my two degrees in aviation management and aeronautical science. All right?

Moving forward, one thing that I will tell you is that . . . and, as the laughter subsides, let me just once again inform the Government of my 18 years—nearly two decades—of real world experience in running airports internationally and locally.

[Inaudible interjections]

Mr. W. Lawrence Scott: I will be more accurate—in running airlines—internationally and locally, and also flying for charter operations both private and commercial. I would think that there is nobody else in this Chamber right now that could tell me any different.

[Inaudible interjection]

Mr. W. Lawrence Scott: The Honourable Premier says I fly planes and do not run airports. I run an airline with an aviation management degree. The airline—

[Inaudible interjections]

Mr. W. Lawrence Scott: But do you know what? I am not going to digress. Let me focus on this—and this is what my managerial experience has shown me when it comes to airport management, and that is we are here talking about how we cannot afford to—

Hon. Patricia J. Gordon-Pamplin: Point of order, Madam Deputy Speaker.

The Deputy Speaker: Thank you, please—

POINT OF ORDER
[Misleading]

Hon. Patricia J. Gordon-Pamplin: The Honourable Member is speaking at cross purposes. Could he please explain whether he is talking about running airports or running airlines?

[Inaudible interjections]

Hon. Patricia J. Gordon-Pamplin: He is mixing it up. He is misleading the House.

The Deputy Speaker: Thank you, Member.

Mr. W. Lawrence Scott: All right, Madam Deputy Speaker, I will just say that an airport management degree teaches you how to run an airport as well as an airline. So I can do both.

[Inaudible interjections]

Mr. W. Lawrence Scott: I can walk and chew gum at the same time, Madam Deputy Speaker.

[Inaudible interjections]

Mr. W. Lawrence Scott: But, honestly, that talks about someone who is unknowledgeable, [who] does not know what my degree is in, but yet is trying to tell me what I know [and] what I can and cannot do.

Some Hon. Members: Ooh!

[Inaudible interjections]

Mr. W. Lawrence Scott: That is something that they are not knowledgeable of.

But I am going to move on, Madam Deputy Speaker, because in 2005 you had St. Vincent, which had run into the same problem. They could not afford

to build an airport. But yet they also could not afford to borrow the money in lump sums. So what did they do? They got what they considered a coalition of the willing. They got a lot of other countries that are neighbouring countries to put in-kind services in there. They worked with the Taiwanese government, they worked with Mexican subcontractors, they worked with the Venezuelans, they worked with Trinidad and Tobago, and all these different countries put in services, in-kind services, for free—*pro bono*—to help build this airport.

But also they were going to look at contracting a Canadian company named MMM (I do not know what this is about Canadian companies and the three letters—anyway, a different story). But what MMM did, is they went in at underbid. They bid \$170 million for this airport. But then when it came to having an RFP process put out there, or to look at other people, they quickly realised that the Canadians had purposely underbid, had done an inaccurate bid. And had they gone with the Canadians, in the long term they would have paid three times as much.

So now St. Vincent has built their airport in and out. They started building in 2008 at the height of a recession, Madam Deputy Speaker. At the height of the recession they found a way to build an airport in a way that they could afford without putting the debt on the Government's balance sheet. What has happened is that . . . just because I know that my time is limited and I have a lot of information on this situation, I am going to go on to other airports and show other examples which will exercise my wealth of knowledge on this subject matter.

But the thing is that they went in and they went with the coalition of the willing and they also went to CARICOM Development Fund. CARICOM loaned them some money as well. Then they went to one of the banks down there in South America, and the banks in South America loaned them money as well. Now what they have after going out and doing what they called “due diligence,” they found a way to get not just the airport that they wanted, they got an airport with three times the amenities, three times the size, for maybe half the price, or just over half the price, that the Canadians were going to charge. They ended up getting it for \$260 million, Madam Deputy Speaker.

But then after you take the in-kind services, the Taiwanese provided the design plans for free, they also provided the electrical engineering for free. The Mexicans provided . . . because they have to build their airport over a river (so they could not divert the river, the river has to go underneath the runway) the Mexicans provided the drainage and all the infrastructure for that for free. They went to the Trinidad Government and the Trinidad Government gave them the asphalt for the paving of the runway, which is now one of the longest runways in the Caribbean—9,000-plus

feet, Madam Deputy Speaker. How much did they pay for it? Nothing . . . for free.

Then they also went on to . . . there was the Taiwanese, Trinidad (who else . . . who else did they get something from?) I did Mexico—

The Deputy Speaker: Mexico, yes.

Mr. W. Lawrence Scott: Oh, and then they went to Cuba, and Cuba provided engineering for the runway because part of the runway goes out over the ocean and into the water and into their bay. And Cuba provided the engineering for the sea protection or maritime protection.

So all of the things . . . when you add up all of these in-kind services that were provided, that \$260 million project actually cost the St. Vincent Government \$204 million.

Now, also what they are predicting and what they are projecting (because the airport is not finished yet, it will be finished next year) is the fact that their tourism product is going to increase. Well, maybe not the tourism product, but the tourism numbers are going to increase because all these other governments, all these other departments, and all these other companies are going to go out and say, *Why don't you go to St. Vincent and look at the product, look at the workmanship that your fellow countrymen did?*

Now, Madam Deputy Speaker, we have not heard anything like that from the Government side. All they have their eyes fixated on is this one thing, and nothing else matters. No matter how right or wrong it is; nothing else matters.

Now, Madam Deputy Speaker, there is another airport that I want to go on to, and I find it ironic because when I asked the Honourable Minister of Finance earlier today about a certain department, he seemingly did not know what it did or what it was about. His answer was that he does some business with the UK. The thing is, that department that I am talking about is the Department for International Development.

Now, why would I bring up the UK Department for International Development, Madam Deputy Speaker? I am glad you asked. The reason that I bring it up is because St. Helena (a colony of the UK) does not have an airport. They need an airport. Once again, a couple of years ago, they started building their airport. Now, who funds that airport?

[Inaudible interjection]

Mr. W. Lawrence Scott: The Department for International Development. Their focus is on infrastructure projects [and] making sure that everybody gets a fair shot—making sure everybody can afford to have their main infrastructure projects and infrastructure in place to support their society, their community, their country.

Now, the fact that the Honourable Finance Minister and the Dunkley administration feel as though they do not need to go anywhere else, they are missing out on this grand opportunity, Madam Deputy Speaker. They are missing out on an opportunity that could possibly lead to us having an airport built for free, and [yet] maintain control. Now, that is something they could easily beat their chests about.

The Honourable Member Gordon-Pamplin said that there is no free lunch. I am not arguing that point. That is why I said there is a possibility of us having an airport built for free because, one, I am not the Minister and I have not gone and done the research. I have not reached out to those governments and departments and talked to them about what prerequisites need to be made. But the thing is, neither has the Government.

[Inaudible interjections]

Mr. W. Lawrence Scott: So as they want to talk about, *Clearly, you have not done it*—neither have you!

An Hon. Member: Exactly.

Mr. W. Lawrence Scott: I wish . . . I should hold up a mirror over here just to show them what they look like because it is funny that a Shadow Minister is doing more work than almost any one of those Ministers on that side.

[Inaudible interjections and laughter]

Mr. W. Lawrence Scott: I hear them laughing.

Do you know what is funny? I hear them laughing—and the Premier is the loudest one—but none of them have stood up and refuted anything that I have said when it comes to airport development in this House.

[Inaudible interjections]

Mr. W. Lawrence Scott: They want to talk about . . . oh, when they talk about corruption this and all of that, that there is no substantial evidence.

Madam Deputy Speaker, I will table the class action lawsuit that is out there, a billion dollar class action law suit against one of the subsidiaries that the Honourable Minister and the Dunkley administration want to sign with.

The Deputy Speaker: Member, just . . . if you could just sit down for a quick second. Would you please sit down?

Member?

I would prefer . . . and I know when we had this discussion once before when you were on the

floor . . . it is either “the Government” or the “One Bermuda Alliance.” If you just refer . . . Thank you.

The Chair recognises the Attorney General.

Hon. Trevor G. Moniz: Thank you, Madam Deputy Speaker.

I think that the Honourable Member is misleading the House. He is talking about a subsidiary. The company he was talking about earlier was not a subsidiary of anyone. They were a contractor who was used in a particular contract and are not proposed to be used in connection with Bermuda.

The Deputy Speaker: Thank you.
Member, you have the floor.

[Inaudible interjections]

Mr. W. Lawrence Scott: All right. Madam Deputy Speaker, what I will say is this. I will also table the Hansard from the Trinidad and Tobago government which will outline how they were told—they were instructed by CCC—to hire and to sign with SNC. So that will also be tabled, Madam Deputy Speaker, as I move on to talk about the other differences that can be done.

Madam Deputy Speaker, it is funny that all of this comes up . . . and I went back last week and I talked about $E=mc^2$ and how I was the one that raised the merits on an Airport Authority here . . . do you know what is funny? What I will put out there is that when I tabled that, a lot of the Members on the Government side said, *You know what, Lawrence? That was a good job. I am glad you tabled it. You were very well researched. We think it is a good idea.*

An Hon. Member: Who said that?

[Inaudible interjections and crosstalk]

Mr. W. Lawrence Scott: It is a good idea, right? But the thing is they also said (and I did not understand this at the time) they said, *But the only thing is that you have to convince Uncle Bob.*

[Inaudible interjections]

Mr. W. Lawrence Scott: Now, that is funny. That is funny that they had to say that at that time because—

Hon. Trevor G. Moniz: Madam Deputy Speaker, that Member is using unparliamentary language.

The Deputy Speaker: I believe he was repeating what was said to him.

Hon. Trevor G. Moniz: He is making it up! It was never said by anyone on this side.

The Deputy Speaker: Member, have a seat.

Mr. W. Lawrence Scott: Madam Deputy Speaker—

The Deputy Speaker: The Chair—

Mr. W. Lawrence Scott: Thank you very much. I am glad that you understand where I am coming from because I was quoting one of the Members of the OBA that had said that to me. It was not just one person that came up to me and said, *Oh, that was a good job. We liked the idea.* The thing is . . . the common denominator was that I had to convince the Honourable Finance Minister.

I did not understand why, because I thought that the Transportation Ministry handled anything that dealt with getting customers or getting tourist people to and from the Island and around the Island. So I was wondering, *Well, why would I not talk to the Honourable Tourism Minister and Transport Minister?* I found that funny. And then the Honourable Finance Minister came out and made the announcement, and made a dog's breakfast of this whole deal because he does not understand aviation.

Madam Deputy Speaker, one thing you will not hear me talk about. I do not get up and profess to be an economist. I do not get up and tell the Minister how to balance the budget here in this country.

[Inaudible interjection]

Mr. W. Lawrence Scott: The Honourable Member says, *Yes, I do.* That is probably when I am canvassing with him up in this House and in my constituency.

But the thing is that . . . What I do not understand is this is: Why is the Minister not open to listening to other ideas? He just says, *No, it can't happen.* He says, *No, you can't do it. My way or the highway.* The thing is that other economists have said and have put reports out that sole sourcing, secretive, unentered contracts are the root cause of corruption, bribery, and other controversial management practises. So why would the Honourable Finance Minister focus on that—on doing things that way—so that we could actually potentially have a black eye on our country?

[Inaudible interjections]

Mr. W. Lawrence Scott: I hear them making all this noise on the other side—all this noise—which makes me think they are trying to take me off track because I am on the right track and I am hitting a nerve.

[Inaudible interjections]

Mr. W. Lawrence Scott: I am telling the truth because once again, Madam Deputy Speaker, one thing you have not heard is anybody on that side call a point of order telling them that I have—

Mr. Sylvan D. Richards, Jr.: Point of order, Madam Deputy Speaker.

[Laughter]

The Deputy Speaker: And your point of order?

POINT OF ORDER

[Misleading]

Mr. Sylvan D. Richards, Jr.: Madam Deputy Speaker, that Honourable Member is grossly overstating his abilities in this regard—

The Deputy Speaker: Now, Member, Member—

Mr. Sylvan D. Richards, Jr.: —so he is misleading the House.

[Inaudible interjections]

The Deputy Speaker: Please continue.

[Inaudible interjections]

Mr. W. Lawrence Scott: Madam Deputy Speaker, the one thing is that the Honourable Finance Minister may say that a billion dollars is over-grossing or over-estimating this or that financially this and financially that. But the thing is, you did not hear anything about an Airport Authority until after this PLP Opposition mentioned it on the floor of the House. That means they were not even thinking about it. If they were thinking about it, why did they not mention it when we were—

Hon. E. T. (Bob) Richards: Point of order.

The Deputy Speaker: Point of order?

POINT OF ORDER

[Misleading]

Hon. E. T. (Bob) Richards: First time anybody heard . . . he is misleading the House. The first time anybody heard about an Airport Authority was when it was stated in my public statement.

[Inaudible interjections]

Hon. E. T. (Bob) Richards: When I signed the MOU, I spoke of an Airport Authority.

The Deputy Speaker: Thank you, Member.

Mr. W. Lawrence Scott: Madam Deputy Speaker—

The Deputy Speaker: You have the floor.

Mr. W. Lawrence Scott: The Honourable Finance Minister did mention it in November in his public statement. But we had that debate back in February and March. So, therefore, who mentioned it first?

[Inaudible interjections]

Mr. W. Lawrence Scott: I do not know. I think March comes before November, but that is just me.

But Madam Deputy Speaker, the thing that is very worrying is that this Cabinet—the OBA Cabinet—has theoretically approved a billion dollar privatisation of the airport without a tender. That goes against good governance.

Hon. E. T. (Bob) Richards: Point of order.

The Deputy Speaker: Point of order?

POINT OF ORDER

Hon. E. T. (Bob) Richards: It came back . . . Point of order, Madam Deputy Speaker.

The Deputy Speaker: Mm-hmm?

Hon. E. T. (Bob) Richards: The billion dollar figure is made up! And I will not sit here and let them keep talking about it like it is fact. It is not.

The Deputy Speaker: Thank you, Member.

[Inaudible interjections]

Mr. W. Lawrence Scott: Madam Deputy Speaker—

The Deputy Speaker: You have the floor.

Mr. W. Lawrence Scott: My belief is that the One Bermuda Alliance Cabinet has potentially . . . is about to or is looking at signing a privatisation deal for the Bermuda airport, giving it away for 35 years—

Hon. E. T. (Bob) Richards: Point of order.

The Deputy Speaker: Yes, point of order?

POINT OF ORDER

Hon. E. T. (Bob) Richards: This transaction is not privatisation. I have said it umpteen times. And they can keep repeating what they like—it is not.

The Deputy Speaker: Thank you.

Mr. W. Lawrence Scott: Madam Deputy Speaker,—

The Deputy Speaker: Member, you have the floor.

Mr. W. Lawrence Scott: The Honourable Finance Minister says it is concessionary. And in aviation concessionary is the user-friendly, the politically correct way or term [for] privatisation.

An Hon. Member: Yes.

Mr. W. Lawrence Scott: All right? That is what it means in aviation. So either the Honourable Finance Minister needs to be brought up to speed on his aviation or aeronautical vocabulary, or he needs to change the words that he uses. Because if he is not talking about privatisation then how is it that he is going to put financing first, then create an Airport Authority? That means that the people that are providing the financing are then going to want control of the Airport Authority and put themselves in a controlling interest or a controlling position of said Airport Authority.

Hon. E. T. (Bob) Richards: Point of order.

The Deputy Speaker: Point of order?

POINT OF ORDER
[Misleading]

Hon. E. T. (Bob) Richards: The Honourable Member is misleading the House. The Airport Authority will clearly come into effect before financing. I did not say that. Nobody said that. The only person that said that is the Honourable Member. And he is wrong.

The Deputy Speaker: Thank you for the clarification. Member, you have the floor.

Mr. W. Lawrence Scott: Now, that is a different story than we were told last week. But I am glad to hear that the Airport Authority is going to come first, because that is the exact idea the PLP has been pushing all this time. So that means that we are making inroads in making sure that the airport stays in the hands of the Bermuda people and that we can take advantage of—

[Timer beeps]

The Deputy Speaker: Thank you, Member.

Mr. W. Lawrence Scott: —the revenues that come back.

The Deputy Speaker: Thank you, Member.

Are there any other Members?

The Chair now recognises the Member from constituency 23, Paget West, the Honourable Pat J. Gordon-Pamplin.

You have the floor.

Hon. Patricia J. Gordon-Pamplin: Thank you, Madam Deputy Speaker.

Madam Deputy Speaker, it has been very interesting to sit for the last 20 minutes of the last speaker, who just took his seat, and for the 20 minutes for the speaker prior to that, and listen to the spin [of what] they want to upset the Bermuda public with.

The Honourable Member Wilson spoke concerning the SNC, and the Honourable Member who just took his seat spoke of MMM and all sorts of other things, and St. Helena and St. Vincent and their airports. None of either of the last 40 minutes, not one scintilla of it, gives any recognition that the Bermuda Government is not dealing with any one of those corporations. It is not.

I think that what is unfortunate is that in his zest to try to be witty, the Honourable Member comes across not just as arrogant—as he accused a Member on our side of being—but, you know . . . there is a saying that my father used to have which goes, *He who knows and knows not that he knows is asleep; awaken him. He who knows not and knows that he knows not is unlearned; teach him. He who knows and knows that he knows is a wise man; follow him. But he who knows not and knows not that he knows not is a damn fool; Avoid him.*

I think that the Honourable Member finds himself perhaps in the last category if I—

The Deputy Speaker: Member, Member. We are not going to call anyone a fool.

Hon. Patricia J. Gordon-Pamplin: No, I said—

The Deputy Speaker: I just want to make sure—

Hon. Patricia J. Gordon-Pamplin: —there is a saying.

I said *there is* recognition based on the presentations that the Honourable Member made that, if I were to evaluate it, he would fall into that last category. I am not calling anybody anything, Madam Deputy Speaker.

Madam Deputy Speaker, let me just say that, you know, if we are speaking to the issue of the airport, and we want to ensure that we have the best possible outcome for Bermuda, and if the Honourable Members opposite believe that they have the magic bullet and they have found something that ticks all the boxes, that gives us the absolute perfection, the nirvana, the utopia, I want to see them table it. I want to see them table it, or at least . . . you know, as the Honourable Member said, he has done more work than anybody on this side. I think that is not just arrogant, it is wrong. It is absolutely incorrect—

Mr. W. Lawrence Scott: Point of order.

The Deputy Speaker: Point of order?

POINT OF ORDER*[Misleading]*

Mr. W. Lawrence Scott: The Honourable Member is misleading this House. The context in which the Honourable Member is using it is incorrect. I said that I have seemingly done more work than anybody on that side when it comes to the airport. Now, the thing is that the keyword is “seemingly.”

Hon. Patricia J. Gordon-Pamplin: The Honourable Member—

The Deputy Speaker: Thank you.
Minister?

Hon. Patricia J. Gordon-Pamplin: I did not hear the Honourable Member say “seemingly,” but if he did, I do apologise, Madam Deputy Speaker. I did not hear him say “seemingly.” He said, *I have done more work (which is what I wrote down) than Members on the other side.* So if he believes that he has done . . . then, you know, kudos to him.

But what is the result of his work? To come here . . . and it appears as though the information that he has gotten has come straight out of the *National Enquirer*. He has gone in, he has made Internet searches for something that bears absolutely no relevance to the arrangement that the Honourable Finance Minister has attempted to pull together. We have had no reference . . . we had mentioned earlier this morning concerning the tabling of the entrustment letter. The Honourable Finance Minister indicated this morning that this was still under negotiation.

Members opposite are suggesting that this is a fait accompli—that we have been directed to do XYZ, that we have no say, that we are going to somehow be dealing with MMM, SNC and ABC and XYZ. We will obviously put in the best deal for Bermuda, and what will happen in the process—

Mr. W. Lawrence Scott: Point of order, Madam Deputy Speaker.

The Deputy Speaker: Yes? Have a seat.
Thank you.

POINT OF ORDER*[Misleading]*

Mr. W. Lawrence Scott: The Honourable Member is misleading the House. Whether it is intentional or not, I am not quite sure. [What] we are saying is that what our research has shown, which is not just from an Internet search . . . those in aviation know people that work in the airports and—

An Hon. Member: Point of order—

Mr. W. Lawrence Scott: —know all these different— and know what contracts . . . and know what go into the contracts.

So, therefore, what we are saying is that in other countries the trend, or the history, has shown that CCC goes for these different templates (or creates a template) which they follow. That is what we are trying to warn them about.

The Deputy Speaker: Thank you, Member.
Minister?

Hon. Patricia J. Gordon-Pamplin: Thank you, Madam Deputy Speaker.

I accept the Honourable Member's warning, you know, I am going to call the Honourable Member “Chicken Little” because the sky is falling, as far as he is concerned. Honestly, Madam Deputy Speaker—

Hon. Marc A. R. Bean: Point of order.

Hon. Patricia J. Gordon-Pamplin: —the challenge—

Hon. Marc A. R. Bean: Madam Deputy Speaker, I ask the Honourable Minister to please retract that statement.

[Inaudible interjections]

The Deputy Speaker: Thank you.
Member?

Hon. Patricia J. Gordon-Pamplin: I take the offence. I understand the offence. It is a Chicken-Little attitude—not the Honourable Member being Chicken Little, the attitude is that of Chicken Little. And I do correct myself and accept the point of order.

Madam Deputy Speaker, let me just say that the Honourable Members opposite would like for us to do what they did on the other side. Go out, borrow the money, have an RFP, go borrow the money and put it on the balance sheet of the Bermuda Government, à la King Edward Hospital Board.

Now, what happened with BHB? And let us talk numbers. That project required \$40 million deposit. Okay? Forty [million dollars]. Subsequent to that there is a requirement for \$2.5 million *per month* which is—12 months . . . that is \$30 million—times 30 years. So that is \$900 million plus the \$40 million—none of which actually covered any equipment or anything like that. This is all just the shell and the structure and the maintenance of that shell and structure.

So one of the things that we want to understand when they sit and say, *Oh, this is a billion dollar project and the money over time is going to do this . . .* and as the Honourable Member Grant Gibbons spoke to earlier, there is a time value of money. But let us just assume straightforward, like with like, and, assuming that this airport will run the same route as did

the hospital project, the hospital project will require, in time, \$900 million of future earnings in order to pay the contractor. That is the reality.

With respect to the airport, the Minister has yet to come to this Honourable House to say what of future earnings—what stream of future earnings—is going to be put on the table, because the details have yet to be worked out.

Mr. E. David Burt: Point of order, Madam Deputy Speaker. Point of order, Madam Deputy Speaker.

The Deputy Speaker: Please proceed.

POINT OF ORDER

[Misleading]

Mr. E. David Burt: The Honourable Member is misleading the House. The Minister of Finance indicated what revenue stream is on the table during Question [Period] last week. In addition to the airport revenues and in addition to the airport departure taxes, he has indicated the revenue streams which are up for debate.

The Deputy Speaker: Yes, thank you. Minister?

Hon. Patricia J. Gordon-Pamplin: But Madam Deputy Speaker, with all due respect, that is not the only revenue that is generated by the airport. So what I am saying is that they do not know what other revenue streams (as I said, I am very clear with this) will be included as an encumbrance in order to be able to pay for the airport. That is all I am saying.

So the Honourable Members will go out on Tuesday night and they will start with a town hall meeting where they will give information as they see it. But it does not necessarily have to be based on fact because we have found already, Madam Deputy Speaker, that there are Members opposite that do not wish to be confused by fact.

When the Honourable Members asked the question as to what revenues will be included . . . then wait until the deal is ready. Wait until we then also have an independent . . . the comment on the Minister's Statement this morning was contractor to identify. Members opposite have said this should be an independent audit, an independent accountant's review. An accountant's review within the company that I work for . . . there were contractors who worked in the audit firm. So all I am saying is that there will be sufficient oversight and I think that that is important.

One of the things that we also wanted to speak about is . . . you know, we heard the Honourable Members [in] debate the last time about go out, borrow the money, put it on the balance sheet and then we will pay for it. Let me remind Honourable Members (not just in this Honourable House but also

in the public) that rating agencies are a very real nemesis for any government. It is important to know that whatever our balance sheet looks like, it has to be scrutinised by and rated by the rating agencies.

Now, how does a rating agency work? If your rating is excellent, you are able to borrow money at preferential rates. If your rating is not quite so good as determined by the rating agencies and you are downgraded for any reason and you get to the B and the C (and what have you) level of rating, then any money that you are able to borrow costs you more.

If you get to the point of having a balance sheet that is so liability heavy in terms of your debt that you have, then it is going to negatively impact how the rating agencies see you. While Members opposite may have had no compunction while they were the Government of borrowing money . . . and I am sure they were always concerned, because Bermuda was important. I am sure they were concerned about the rating agency rating an evaluation of Bermuda. What I am suggesting is that we also have to be mindful.

Now, there is one operative in all of this, Madam Deputy Speaker, which everybody opposite seems to want to conveniently ignore. And that is that we have an obligation to put our people back to work. The unfortunate thing is that with all of the naysaying and all of the negativity it is very difficult for us to be able to go and ensure that we can put our people back to work if we do not have work projects. It might suit their narrative; but it does not suit this Government because we have made a commitment to putting people back to work. And we hate the fact that it is inconvenient for the Members opposite because they have so much adopted the Chicken Little sky-is-falling attitude that they want people to believe that we do not have the capacity to know how to put people back to work and, hence, we are not going to be able to do it.

Therefore, you know, it is . . . I believe it is kind of almost fear. I think it is almost fear. It is almost like let us pick on things that, you know, they said, *Let us do an RFP*. I mentioned this last week, and I do not have to repeat it, but what did RFPs do for them? Other than run up costs three or four times the actual stated amount, and then we found that we have debt on our balance sheet that is so significantly higher than we should have seen. We saw last—

Mr. W. Lawrence Scott: Point of order, Madam Deputy Speaker.

The Deputy Speaker: Point of order?

POINT OF ORDER

Mr. W. Lawrence Scott: The Honourable Member is either misleading the House or imputing improper motive. I am not quite sure which one because we agree

with the fact that we need a new airport and that an Airport Authority is the way to go. We are just outlining the pitfalls that other countries have had so that the Government does not fall into that same trap. We want the same thing. We are just making sure that it is done correctly.

The Deputy Speaker: Thank you.
Minister?

WORK PERMIT POLICY

Hon. Patricia J. Gordon-Pamplin: We would never have known that they wanted the same thing.

But let me just go back, because I want to also cover the issue with respect to the immigration policy. And you know one of the things that this Government has not feared is to be able to re-evaluate situations when we have new information. When new information comes to the fore, it is only someone who is very foolhardy who would ignore new information that is staring you in the face and say, *I am going to do nothing with it*. Therein lies the difference between the Opposition and us when it comes to the issue of this immigration policy.

The Honourable Member earlier spoke of all the people with whom consultation was had. Yet, to hear them tell it, we did not consult. Nobody consulted. But when information comes to you that the people who were initially driving the request for policy start then to pause to say we are seeing some unintended consequences because some of the companies to whom we were going to allow to have this privilege were likely to misuse it, or possibly going to misuse it, and instead of using the pass (as it were) for the intended layer of executive—the C-suite—they were believing that, *Well, these people are going to get exemptions no matter what so therefore we will utilise our permits under the BEV legislation to bring in or to exempt people who were further down the ladder . . .* which would have negatively impacted Bermudian employment.

Now, had we said we have this legislation, we have this policy, we are going to push it forward irrespective of what these people who asked us to drive it were saying, we would be tremendously irresponsible. What we have done is recognise that not only was there likely to be a challenge in the implementation, but that that challenge that we would have had would have also negatively impacted Bermudian jobs.

We are not going to sit and allow any policy that we have to negatively impact Bermudian jobs because what we have seen . . . you will recall the payroll tax, the 14 [per cent] to 16 per cent which drove people out of this country. Why? Because they had been given certain expectations that things would happen, the manner in which they would, and then unannounced—just as a budgetary balancing exercise—they were then told (literally at budget time,

maybe with very little consultation prior, if any) that the payroll tax rate would go from 14 [per cent] to 16 per cent.

I remember sitting on that side in that seat, Madam Deputy Speaker, and pointing out the fact that one particular company, which was one of the founding members of the larger reinsurance companies on Island, had indicated that they had made 17 of their staff redundant. The information that came to me directly was that that policy dictated the move that they had taken. We want to . . . and I was criticised by the then-Premier who was the Finance Minister saying she worked for that company. She knew that was not the reason. But that was the reason that the executives gave to the staff who were made redundant—one of whom is a very dear friend who called me up virtually crying that this 16 per cent . . . was it necessary? Was there anything that we could do about it?

I was standing in the opposition. There was nothing I could do about it other than to stand on the floor of the House and to criticise and complain.

Based on that, I think it is important to understand that we will not be able to get jobs for Bermudians if we do not bring . . . and I am not saying if we do not bring that higher level of executive into Bermuda (the job makers). The previous Government put out the Job Makers Act. They did it for a reason. They recognised that in order to be able to create jobs for that second tier, that middle tier and that even entry level tier, you have to have the companies here in the first place.

What their policies did, though, was drive those companies out. We are trying—through the elimination of red tape—to bring those companies back into Bermuda (or other companies as replacements) to make our environment sufficiently palatable and acceptable in order for them to want to come. If we do not do that there will be no jobs for Bermudians.

While we are here . . . I hear Honourable Members saying that is nonsense. Well, if the Honourable Member would like to show me which . . . and I am not saying that we do not have Bermudian entrepreneurs who can go out and create a business environment and create jobs for Bermudians. I am not saying that at all. But I am saying that if we want to continue to enhance our international business offerings we have to be able to bring the companies here in the first place.

I work—if I can declare an interest—I work in the insurance industry. In the company for which I work, we have 17 employees. Eleven are Bermudian, 1 is a spouse of a Bermudian, and the other 5 are non-Bermudian—17 altogether. I can tell you that if for some reason the policies became so onerous and unacceptable that the company for which I work . . . we have plenty of choices. We have companies in Ireland, London, Belgium, Singapore, all over the United States. If our policies here become so unap-

peeling that they decide to move, it is not those executives who are at the top who are going to hurt. It is the 12 Bermudians who will be out of employment. These are the things that clearly Members opposite do not quite get. Until—

Mr. E. David Burt: Point of order, Madam Deputy Speaker.

The Deputy Speaker: Point of order?

POINT OF ORDER
[Misleading]

Mr. E. David Burt: The Honourable Member is clearly misleading the House. We understand very clearly. It is the OBA who has climbed down from this policy because they are not getting it right.

The Deputy Speaker: Thank you, Member. Minister?

Hon. Patricia J. Gordon-Pamplin: We have not climbed down from the policy. What we have done is say that we will pause and have a look at unintended consequences. It is not that we did not get it right.

[Inaudible interjection]

Hon. Patricia J. Gordon-Pamplin: No.

The Honourable Member is saying that they pointed it out a long time ago. What the Honourable Member has to understand is that when you have representations that are asking you to take a particular line . . . which we have looked at. We examined, we consulted with Labour Advisory Council, the Association of Bermuda International Companies ABIC [Association of Bermuda International Companies], Trade Union Congress, ABIR [Association of Bermuda Insurers and Reinsurers], Bermuda Employers' [Council], Bermuda Hotel Association, Bermuda Human Resources Association, Chamber of Commerce, Entertainment Union, Immigration Board. We invited submissions on the website so that the public could write in and be heard. That is what consultation did. That is what the Honourable Members opposite did not understand that we had done in order to ensure that the policy was acceptable all around.

So when something comes up as a result of best intentions and you realise that it is not going quite the way it ought to, you have to make a change.

[Timer beeps]

An Hon. Member: Sit Down.

The Deputy Speaker: Thank you.

Hon. Patricia J. Gordon-Pamplin: Do not shout at me and tell me to sit down. I will sit down when the Speaker tells me.

The Deputy Speaker: Thank you.
The Chair now recognises—

Hon. Michael J. Scott: Very sensitive, yes, over there.

The Deputy Speaker: The Chair now recognises the Member from constituency 36, Sandys North, the Honourable and Learned Michael J. Scott.
You have the floor.

AIRPORT MOU

Hon. Michael J. Scott: Thank you, Madam Deputy Speaker.

The Government benches appear very sensitive and (as the expression goes) *they doth protest too much*. Perhaps we are finally registering with the people of Bermuda (in this House) on their concerns.

The Member who just took her seat cast the allegation that the PLP, she fears, are labouring under some levels of fear—fear that jobs will be created by this project.

Here is the fear that we have, Madam Deputy Speaker: that a suboptimal project is on the way to being our reality, and all that we have done since we have been debating this matter is to send warnings, send our concerns and raise them so that the best, so that the most optimal project is achieved.

We know, Madam Deputy Speaker, that the key to well-scoped planned schemes is the identification of the right range of options or choices. Pausing there, this is the central concern of the PLP this week and last week. With the use of the RFP process—but even before the RFP process—the selection of a number of choices so that you reach the economic analyses of getting the optimal choice. This is what best practise recognises so that you get the right range of options or choices in the first instance, because if the wrong options are appraised, the scheme will be suboptimal from the outset.

Now what is very clear today is that the concerns that have been expressed from last week and this week by the PLP are now being supported and endorsed by the Foreign and Commonwealth Office. So that should be the headline. We have been sustained in our concerns by no less than the revelation and tabling—albeit much too late—of the entrustment which then begins to set out . . . what, Madam Deputy Speaker? It sets out that the airport deal which is now supported, we say, by the FCO by direct implication of the value-for-money principle expressed in the Green Book of Her Majesty's Treasury. It has been made patently clear that this concern marries up and aligns with the concerns being expressed by the Opposition.

Then there was another allegation of fear by the Member who just took her seat, the Public Works Minister, that we fear that there is going to be a creation of jobs. Madam Deputy Speaker, that is precisely a concern of the PLP, and it ought to be a concern of the Government. But here is why we have concerns. This CCC, this Canadian entity, Madam Deputy Speaker, this federal body of the Canadian government has an important and singularly focused mandate. May I read it to you?

The Deputy Speaker: Yes.

Hon. Michael J. Scott: Their very existence is wedded to using Canadian suppliers to deploy contracts (i.e., bringing money to the Canadian coffers) through the CCC deploying its service providers wherever in the world—whether Trinidad and Tobago or Ecuador, and now we are hearing we are leading to one in Bermuda. They have as their central mandate finding jobs for Canadian firms.

Now that alone should begin to cause us to ask more probing questions, because the mandate of the CCC mandating its own Canadian companies. It is Canadian companies that are going to build the airport under this model. The idea is to have all of the interests end up for the Canadian companies.

Then the language that troubles us is that the Honourable Minister of Finance says that they will try to optimise Bermudian employment and Bermudian subcontractors. Well, what is the meaning of that? Let me read the language in your Statement, then. *Maximise it, optimise it*—this is the language that was used.

Page 4 of the Finance Minister's statement, the "CCC will select a Canadian developer from its already preselected stable of Canadian firms. This company will enter into a contract and concession agreement with the Bermuda Airport Authority." I am sorry. The operative words are in the next paragraph. "This company will maximize local employment in subcontracting opportunities in the selection of contracting firms to actually carry out the work on the ground."

I mean, that language for me, as an attorney, is very loose and wide and I would want to see a more specific undertaking with numbers.

Then we have the Minister of Finance pulling the numbers of the hundreds of jobs [which] will be created for Bermuda. But how do we have that kind of assurance and guarantee when the real control is with CCC's selected Canadian companies? They are going to arrive here . . . they are going to (as they say in the MOU) try to seek to implement domestic projects and enhance the performance in the transport sector. They are going to try and provide optimal contribution to the social and economic development of Bermuda. These are just broad, broad terms.

Contracts require . . . and there was more specificity than that on the very point that the Minister of Public Works thinks that we are concerned about—creation of Bermudian jobs. Why does the PLP urge a different model—one where the control is away from the Canadian government and/or its selected contractors? Because we will be able to do better even than we did with the ratio of Bermudian to non-Bermudian workers that happened at the hospital even. We need to constantly focus on Bermudian to non-Bermudian job ratios, that are improving particularly at this time, and not give way and give over a ratio that can be only described at this stage as speculative but that we certainly know will be at the instance of the controlling contractors—both Canadian. It would be in their interest and in their favour.

This is the fear that we have. It is the fear that we have in the absence of harder factual information coming from the Government side.

When the Honourable Dr. Gibbons, the Economy Minister, says that we build straw men and then knock them down, that is absolute poppycock. We have not had enough information given to us, and so we have to express the primary concern that the information has been at great deficit. And then we have to push out what our fears are in the absence of a proper set of facts as to what this deal is like. I know that the Government (including the Minister of Finance) can provide deeper detail.

We will lose control over the contracting process. We will lose control, therefore, over the job creation for Bermudians in this scenario. We will lose the control over establishing the right ratio—whether it is 80 per cent Bermudian, 20 per cent foreign—we will lose control over those ratios in the absence of a good contract. But when the substantive party, when the dominant party is the Canadians and the subordinate party is the Bermudians, we are on a losing wicket right from the start, is my point that I make. These are the only fears on this side; the only fear is that we have not had enough information.

Then this question of privatisation . . . and I would like us to look at some timelines. It was in the MOU as signed on November the 10th by the Minister of Finance that we see he enters into a Memorandum of Understanding with the aim of the CCC having as its central mandate to land a contract for Canadian developers. Canadian developers! So as I stand here making my contribution to this discussion on the motion to adjourn, as I begin to assess . . . well, is this privatisation or not? Let me show you what concerns I have.

The CCC (again, reading Madam Deputy Speaker, from the Minister's statement at page 4), "CCC will select a Canadian developer from its already preselected stable," et cetera. The "company will enter into a contract and concession agreement with the Bermuda Airport Authority to develop and manage the project. Title to the airport and adjacent

property will remain in Government [hands]." That is meaningless.

What we need to understand is after this project is built, who will manage it? Mr. Aaron Adderley is signing on this MOU. Have you assured Mr. Adderley and the TUC of this country that the operation of mandate will be held by Bermudians?

But it is an omission from the statement. What are we left to conclude?

An Hon. Member: Because they cannot guarantee it.

Hon. Michael J. Scott: What are we left to conclude?

It is a gross omission in this flowery language, in the statement of the Minister of Finance, to tell us what will be the state of play once these . . . obviously there will be some Bermudian jobs created in the construction of the project. But once we have the airport, who will control it? Who will manage it? Who will be the Airport Authority? I want to know this. I think I am entitled to know it on behalf of the people of this country. But it is completely absent from this document. It is a gross omission.

Now, another matter that has been done is the sanitisation of the language. I am working on the whole proposition about whether this is privatisation or not. What I have just said represents privatisation because at the end of this four-year contract of construction, we have a lovely bricks-and-mortar and steel-and-glass that is being operated by and managed by CCC—the Canadian company. That is privatisation.

But I understand that the messaging being put out through a sanitised language of concessionary agreements is being used. But I see [from] just a simple reading of the document that we have at least to hand right now (inferring from omitted facts and drawing inferences from known facts), that this MOU contemplates the construction, management of an airport, and then the management of that airport until the money is repaid [to] Canadians.

Concessionary agreements as sanitised language, as if "privatisation" has become a kryptonite word in the minds of the Government, not to be mentioned anymore lest we stub our toe. This is not good enough. My analysis of whether this is privatisation or not is based on a simple reading of the language.

Then I was grateful to the Shadow Minister of Finance for his energy expended on describing out of learned articles and assessments in the world and on this topic, that concessionary agreements are privatisation. So that is exhibit two. So if anyone is beginning to ask the question of the Minister of Finance please tell us, because his colleague, the Minister of Economy, stood up and said (during his presentation) that he asked the Minister of Finance whether this was privatisation or not, and the Minister of Finance said it is not privatisation. Well, there is evidence that goes contrary to this. We deserve to have this made absolutely more . . . less muddy than it is.

Madam Deputy Speaker, those are the heavy lifting elements. The need for value for money now identified by the Letter of Entrustment, the route to value for money is absolutely clear. Surely, Members of the Progressive Labour Party in Government for a decade and more went through these kinds of processes. We are asking these questions not based entirely on the fact that these facts, as presented thus far by the Government raise concerns, we have had a solid experience of dealing with vast contracts. Two hundred million dollars is not a small amount of money. So the heavy lifting for the Government is to deal with this whole question of value for money as mandated by our best practises as now lined up and spoken to by the Green Book of Her Majesty's Treasury asking for there to be a RFP process. The wording is different but it calls for at least three presentations, requests for proposal, resulting in presentations so that you can get away from the considerable danger of embarking on a project that at the beginning has the danger of having being suboptimal right from the beginning. Because no one has given themselves the opportunity to assess what other providers could have provided for us.

So, value for money, misrepresentation, or sanitisation—privatisation is what is happening. And use of sanitised words—concessionary agreements—does not cut it. The facts speak to privatisation, and people must ask this question over and over again of their OBA representatives. *Tell us what this deal really is.* We have had it declared by the sponsor of this project that it is not privatisation. I think that is a great concern when the facts point to it being privatisation. Then there is this whole question of the control of this project and the great promise of jobs.

As we see it, all indications in the structure of this project are that we will have so little control over driving Bermudians into jobs that this \$200 million project has to be embarrassing. It has to be a complete and utter embarrassment.

What is the objective? Simply to get the airport? The PLP's approach is, of course, to get an airport. But the mammoth opportunity in the construction of the airport must enure benefit to Bermudians through job creation. This approach is not going to achieve that. It is so clear that it is not

I was alarmed and disturbed by the old wheeling out, by the Minister of Economic Development, of the 2011 statistics on the loss of 1,000 jobs in the international business sector. That story is becoming . . . 1,000 jobs or whichever it was he said—

Dr. the Hon. E. Grant Gibbons: If I may . . . just a point of order.

The Deputy Speaker: Point of order?

POINT OF ORDER

Dr. the Hon. E. Grant Gibbons: I know the Honourable Member is not doing this intentionally, but what I was talking about was 1,000 jobs filled by Bermudians—actually a little over 1,000.

The Deputy Speaker: Thank you.
Member, you have the floor.

Hon. Michael J. Scott: All based on the fact that the environment was toxic, driven entirely by the PLP.

In 2010 the world economy was terribly weak. By 2011 it was still very, very weak. Inventory . . . there was tons of inventory of offices across America unfilled. The banking system was in a state of frozenness (if I can use that word). Personal and corporate bankruptcies were taking place frequently. There was lingering weaknesses in the European banking sector.

Many companies were staying in Bermuda because they were insulated—

[Timer beeps]

The Deputy Speaker: Thank you, Member.
Are there any other Members that would like to speak to the motion to adjourn?

There are no other Members. We would like to move on in the agenda.

Thank you.

[Inaudible interjection]

The Deputy Speaker: The House is adjourned . . . but I was waiting for the [Minister] to give me the next date—

[Inaudible interjections]

The Deputy Speaker: Thank you. Friday next?

Hon. E. T. Bob Richards: I move that we adjourn until next Friday.

The Deputy Speaker: Thank you. The House is stands adjourned until next Friday which is Friday, December the 5th.

Thank you very much.

[Gavel]

[At 7:02 pm, the House stood adjourned until 10:00 am, Friday, 5 December 2014.]