

BELIZE

No. HR17/1/12

HOUSE OF REPRESENTATIVES

Friday, 5th January 2018

10:15 A.M.

---*---

Pursuant to the directions of Madam Speaker on the 18th December 2017, the House met on Friday, 5th January, 2018, in the National Assembly Chamber, Belmopan, at 10:15 A.M.

Members Present:

The Hon. Laura Tucker-Longworth, Speaker
The Rt. Hon. Dean O. Barrow (Queen's Square) Prime Minister, Minister of Finance and Natural Resources
The Hon. Patrick J. Faber (Collet), Deputy Prime Minister and Minister of Education, Culture, Youth and Sports
The Hon. Erwin R. Contreras (Cayo West), Minister of Economic Development, Petroleum, Investment, Trade and Commerce
The Hon. John Saldivar (Belmopan), Minister of Defence
The Hon. Michael Finnegan (Mesopotamia), Minister of Housing and Urban Development
The Hon. Manuel Heredia Jr. (Belize Rural South), Minister of Tourism and Civil Aviation
The Hon. Anthony Martinez (Port Loyola), Minister of Human Development, Social Transformation and Poverty Alleviation
The Hon. Rene Montero (Cayo Central), Minister of Works
The Hon. Wilfred Elrington (Pickstock), Minister of Foreign Affairs and Home Affairs
The Hon. Pablo S. Marin (Corozal Bay), Minister of Health
The Hon. Hugo Patt (Corozal North), Minister of Local Government, Labour, Rural Development, Public Service, Energy and Public Utilities
The Hon. Edmond G. Castro (Belize Rural North), Minister of Transport and NEMO
The Hon. Dr. Omar Figueroa (Cayo North), Minister of State in the Ministry of Agriculture, Forestry, Fisheries, the Environment and Sustainable Development and Immigration and Deputy Speaker
The Hon. Frank Mena (Dangriga), Minister of State in the Ministry of Public Service, Energy and Public Utilities
The Hon. Beverly Williams (Belize Rural Central), Minister of State in the Ministry of Immigration
The Hon. Tracy Taegar-Panton (Albert), Minister of State in the Ministry of Investment, Trade and Commerce
The Hon. Elodio Aragon Jr. (Orange Walk East), Minister of State in the Ministry of Home Affairs
The Hon. Dr. Angel Campos (Corozal South West), Minister of State in the Ministry of Health
The Hon. John Briceño (Orange Walk Central), Leader of the Opposition
The Hon. Cordel Hyde (Lake Independence)
The Hon. Francis Fonseca (Freetown)

The Rt. Hon. Said Musa (Fort George)
 The Hon. Rodwell Ferguson (Stann Creek West)
 The Hon. Jose Mai (Orange Walk South)
 The Hon. Julius Espat (Cayo South)
 The Hon. Kareem Musa (Caribbean Shores)
 The Hon. Michael Espat (Toledo East)
 The Hon. Florencio Marin Jr. (Corozal South East)
 The Hon. Oscar Requena (Toledo West)
 The Hon. Orlando Habet (Cayo North East)

Member Absent:

The Hon. Gaspar Vega (Orange Walk North)

MADAM SPEAKER in the Chair.

PRAYERS by Pastor Alvan Gentle Jr.

PAPERS

The Right Honourable Prime Minister and Minister of Finance and Natural Resources:

- | | |
|------------------|--|
| No. HR123/1/12 - | Supplementary Appropriation Schedule for Fiscal Year 2017/2018. |
| No. HR124/1/12 - | Social Security Board – Financial Statements for Years Ended December 31, 2015 and 2014, and Actuarial Review of the Social Security Scheme as at December 31, 2015. |
| No. HR125/1/12 - | Social Security Board – Actuarial Review of the Social Security Scheme – 31 December 2016; Audited Financial Statements for Years ended December 2016 and 2015; and Reports also at www.socialsecurity.org.bz . |
| No. HR126/1/12 - | Coastal Zone Management Authority and Institute Audited Financial Statements for the Year Ended March 31, 2016. |
| No. HR127/1/12 - | Stores Orders (Amendment) Regulations, 2017. |
| No. HR128/1/12 - | Financial Orders (Amendment) Regulations, 2017. |

Sessional Paper No.HR123/1/12 was referred to the Committee of Supply for examination, consideration and report, and Sessional Papers No. HR124/1/12, No. HR125/1/12, No. HR126/1/12, No. HR127/1/12, and No. HR128/1/12 were ordered to lie on the Table.

QUESTIONS TO MINISTERS

HON. R. FERGUSON (Stann Creek West) asked the following question:

“Can the Minister of Works please tell which consulting firm was selected to oversee the contract given to Road Way Construction Company in the Santa Elena/San Ignacio area? Was there a blast design? Can you please inform the nation what is the procedure in obtaining a blast permit and what is the protocol after the permit is issued?”

HON. R. MONTERO (Minister of Works) answered:

“Madam Speaker, in August of 2017, the Ministry of Works entered into a contract with the Belize Road Way Construction after a competitive procurement process for the rehabilitation of the George Price Highway, the George Price Avenue, Liberty Street and associated works in Santa Elena. Due to the size and complexity of the project, it was agreed that the Ministry of Work’s team of engineers execute the supervision and implementation of the construction contract.

In order to obtain road construction materials that met project technical specifications investigations over previously used rocky source in Santa Elena began. To obtain the high quality road construction material, the construction contract entered into an agreement with Tiger Aggregates Limited, a company which has been operating a rock-blasting-and-crushing business for many years. In this case, there was a blast design which was done by the licensed blaster from Tiger Aggregates Limited.

To obtain a blasting license, the applicant must submit a request to the Belize Police Department who is the nominated authority to evaluate and approve such license. Thank you, Madam Speaker.”

HON. R. FERGUSON (Stann Creek West) asked the following follow-up question:

“Madam Speaker, to my knowledge, the Ministry or the Department of Mines is the only department in this country that can issue a mining license. Madam Speaker, I am asking if the company obtained a blasting license from the Department of Mines.”

HON. R. MONTERO (Minister of Works) answered:

“In this case, the mining license was not necessary because it was just a blast to check and see if the material was adequate for the road constructions that were under operation.”

HON. R. FERGUSON (Stann Creek West) asked the following question:

“Will the Minister of Police tell this nation who gave permission to the police to notify residents to evacuate the area in Santa Cruz, Cayo? Was there any consultation with the residents before the blast was done? Did the Police receive a permit with specific instructions from the Department of Mines, if so, can that permit be shown to the Members of the National Assembly?”

HON. E. ELRINGTON (Minister of Foreign Affairs and Home Affairs) answered:

“Madam Speaker, I will attempt to respond to the question, but it is not my knowledge that there is any Minister of Police in Belize. There is a Minister of Home Affairs, but I imagine you mean the Minister of the Police. As Minister of Home Affairs, I am certainly going to accommodate. I know what he wants to say and I am going to be magnanimous.

Firstly, Member, explosives and blasting discharge of explosives are covered under the Dangerous Goods Act, Chapter 134, and the Firearms Act, Chapter 143 of the Substantive Laws of Belize, Revised Edition 2011. The responsible agencies designated under both Acts are the Commissioner of Police and the Belize Police Department. The Belize Police needs to obtain permission from no one to notify residents to evacuate any area of Belize when they form the view that those residents may be in harm’s way. The San Ignacio Police, being the responsible organization that it is, up on receiving information of the blasting operation, as a matter of public safety and courtesy, saw it prudent to have officers accompany the personnel from Tiger Aggregates to inform the residents within the immediate area of the San Elena pit of the danger that may fall from the activities. That, of course, is the only question which I think I am lawfully required to respond to, but, again, I am going to be magnanimous and attempt to answer the other two which you added on to your question.

Was there any consultation done with residents before the blast was done? The role of the Police Department is to provide licenses to competent persons to possess and discharge explosives. It is not the role of the police to conduct public consultation in respect to the use of a pit or a quarry. However, as mentioned before, police officers actively assisted in informing and evacuating residents within the danger area. Although the expert had recommended a 200-yards radius as a safe area, all residents within an 800-yards radius were, in fact, evacuated.

The third question: Did the police receive a permit with instructions from the Department of Mines, if so, can that permit be shown to the Members of the National Assembly? The police does not apply for or obtain permits in respect to mines. These are applied for and obtained by persons requesting to engage in such operations to the relevant authority, that is, to the Mines Unit. Thank you, Madam Speaker.”

HON. R. FERGUSON (Stann Creek West) asked the following follow-up question:

“Madam Speaker, as a follow-up question, I want to ask if the police had asked if a consultation was done.”

HON. E. ELRINGTON (Minister of Foreign Affairs and Home Affairs) answered:

“As far as we are aware, Member, there is no required obligation for consultation to have been done, but the police took it upon themselves to go out along with the officials from the organization engaged in the blasting and informed the residents of what was taking place and requested that they evacuate so that they could be in safety. Thank you, Madam Speaker.”

HON. R. FERGUSON (Stann Creek West) asked the following question:

“Can the Minister of Tourism provide the estimates for the first design for the Caye Caulker airstrip which was at a cost of about 7.8 million dollars? Can the Minister also provide the estimate for the second figure of 3.5 million quoted on national T.V which is almost 50 percent less than the original estimate but reiterated that the same job will be realized?”

HON. M. HEREDIA (Minister of Tourism and Civil Aviation) answered:

“Madam Speaker, yes, first of all, let me say that I appreciate what you are asking, but rather than that you should have asked about the good things that are happening in the airlifts and in the tourism industry. I think you saw in the Financial Times that Belize is being rated as the best destination of the future, (Applause) with distinctions in best tourism accommodation, best enhanced airlift, and best sustainable strategy. But, nonetheless, I think your question was, how much was the designed cost? The design for the first one, design and supervision, was for \$293,500.00 and the design for the second one was \$211,000.00. Your question was about the design, right? That is what you asked me.

But, nonetheless, I know what you are trying to say, my friend, and let me just say that the Caye Caulker Airdrome Reconstruction Project was designed to alleviate certain structural deficiencies on the runway that were caused as a result of the underlying mangrove swamps on which it was built. It was built at that time by the then PUP. At the same time the project will alleviate the standards of the facility to make certain international requirements and guidelines established by the International Civil Aviation Organization (ICAO), which is in line with the Master Plan of the Belize Airport Authority. The design also allows for the state-of-the-art rehabilitation of 3,000 feet runway which includes widening significant lifting, removal of poor and falling materials, replacement of such materials, the installation of soil reinforcement, widening of the runway, construction of a stable and safety area, installation of Hot Mix Asphalt, concrete surfacing, thermoplastic runway marking, edge/center/ threshold, installation of runway lightening system, expansion of the apron and parking stalls to facilitate hangar for rentals to the public, the installation of security lightening to the property, installation of several thousand feet of security fencing to avoid unwarranted traffic across the active runway, the construction of shore protection

system, to protect the assets from wave action, the construction of public parking stalls and golf carts, and the construction of a new state-of-the-art terminal building to facilitate the private airlines and the offices for BAA and tourism-related rental units.

Of the three bidders, the lowest bid was submitted for the sum of \$7,587,569.00, and not the \$7.8 million, for the construction of the full project with the understanding that the final work scope would be necessary adjusted to meet the project budget available for construction. The current contract with the lowest bidder is for the sum of \$3,918,699.00, and not the \$3.5 million that was mentioned before, which includes the cost of the core phase for the entire project, only this phase excludes the following items: the external security lightening system; the runway lightening system, is included in the initial phase, notably this will greatly enhance air transportation capabilities to the island; the Hot Mix Asphalt surfacing is limited to a width of 40 feet with the additional 20 feet of shoulders that will not be surfaced, that will just be an additional 10 feet on each side; the security fencing is out; and the expansion of the apron will be smaller than previously said. The lifting of the runway will also be limited. The construction of the new terminal building will no longer be there, and the Caye Caulker Airdrome Reconstruction Project aims to bring world-class aviation standard of the fifth most traffic-local airdrome in Belize and the second highest overnight tourism destination in Belize. Is that okay, my brother?"

INTRODUCTION OF BILL

1. **General Revenue Supplementary Appropriation (2017/2018) Bill, 2018.**

The Right Honourable Prime Minister and Minister of Finance and Natural Resources introduced the above-mentioned Bill:-

Bill for an Act to appropriate further sums of money for the use of the Public Service of Belize for the financial year ending on the thirty-first day of March, two thousand and eighteen.

Bill read a first time and ordered to be printed.

Question put and agreed to.

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE HOUSE

The Right Honourable Prime Minister and Minister of Finance and Natural Resources moved that at its rising today, the House adjourn to a date to be fixed by the Speaker.

Question put and agreed to.

PUBLIC BUSINESS

- A. **Government Business**

I COMMITTEE OF SUPPLY

Pursuant to Standing Order, the House resolved itself into a Committee of Supply and the Speaker ordered the withdrawal of strangers from the galleries.

Madam Speaker left the Chair.

[In the Committee]

The Right Honourable Prime Minister in the Chair.

1. **Supplementary Appropriation (No.3) Schedule for Fiscal Year 2016/2017.**

The Right Honourable Prime Minister and Minister of Finance and Natural Resources moved:

That the Committee approves the proposals set out in Sessional Paper No. HR114A/1/12 referred to the Committee of Supply on December 8, 2017.

Question put and agreed to.

The Chairman left the Chair.

MADAM SPEAKER in the Chair.

II MOTIONS

1. **Supplementary Appropriation (No.3) Schedule for Fiscal Year 2016/2017 Motion, 2018.**

The Right Honourable Prime Minister and Minister of Finance and Natural Resources moved:

THAT the Committee of Supply has met and approved the proposals set out in the Sessional Paper No. HR114A/1/12 - Supplementary Appropriation (No.3) Schedule for Fiscal Year 2016/2017, and that the Honourable House agrees with the proposals approved by the Committee of Supply.

Question put and agreed to.

2. **Stores Orders (Amendment) Regulations, 2017 – Affirmative Motion, 2018.**

The Right Honourable Prime Minister and Minister of Finance and Natural Resources moved:

WHEREAS, the provisions of section 23 of the Finance and Audit (Reform) Act, Chapter 15 of the Substantive Laws of Belize, confers powers upon the

Minister responsible for Finance to make Regulations for giving better effect to said Act;

AND WHEREAS, the Minister of Finance has used such powers to make Regulations to amend the Stores Orders 1968 to increase the ceilings under which Accounting Officers may purchase stores and also to obtain stores items from abroad without first having to obtain the written approval of the Financial Secretary;

AND WHEREAS, increase in the ceilings are as follows:

1. Total Cost of Individual items of stores: \$10,000 (up from \$3,000);
2. Total Cost of Items of stores in one Single Order: \$20,000 (up from \$7,000);
3. Total Cost of items to be obtained from abroad: \$50,000 (up from a requirement that all foreign purchases required prior approval);

AND WHEREAS, no change has been made to the Tender procedure itself as outlined in Chapter 10 of the Financial Orders;

AND WHEREAS, these new Regulations were deemed necessary as the last time the ceilings were adjusted was in the year 1992;

AND WHEREAS, with the passage of time, such low ceilings had become unduly constraining and restrictive and have contributed the slow processing of government purchases;

AND WHEREAS, a copy of the new Regulations entitled **STORES ORDERS (AMENDMENT) REGULATIONS, 2017** is annexed hereto as Sessional Paper No. HR127/1/12;

AND WHEREAS, section 23 (4) of the Finance and Audit (Reform) Act, Chapter 15 of the Laws of Belize, Revised Edition 2011, provides that all Regulations made by the Minister shall be subject to affirmative resolution of the National Assembly;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the said **STORES ORDERS (AMENDMENT) REGULATIONS, 2017**, will give better effect to the provisions of the Finance and Audit (Reform) Act, Chapter 15 of the Laws of Belize, Revised Edition 2011 and to the general efficiency of government operations approves and affirms these said Regulations.

Cabinet's recommendation was signified by the Minister.

Pursuant to Standing Orders, Motion was referred to the Finance and Economic Development Committee for examination, consideration and report.

Affirmative Motion, 2018.

The Right Honourable Prime Minister and Minister of Finance and Natural Resources moved:

WHEREAS, the provisions of section 23 of the Finance and Audit (Reform) Act, Chapter 15 of the Substantive Laws of Belize, confers powers upon the Minister responsible for Finance to make Regulations for giving better effect to said Act;

AND WHEREAS, the Minister of Finance has used such powers to make Regulations to amend the Financial Orders 1965 to increase the ceiling under which Accounting Officer may make verbal and written contracts;

AND WHEREAS, increase in the ceilings are as follows:

1. Authority to make Verbal Contracts: \$10,000 (up from \$2,000);
2. Authority to make Written Contracts with approval of the Minister: \$50,000 (up from \$20,000);
3. Authority for Accounting Officers to Normally Invite Tenders: Above \$20,000 but below \$50,000 (up from \$10,000);
4. Authority above which Accounting Officers Shall Invite Tenders: Above \$50,000 (up from \$20,000);

AND WHEREAS, these new Regulations were deemed necessary as the last time the ceilings were adjusted was in the year 1992;

AND WHEREAS, with the passage of time, such low ceilings had become unduly constraining and restrictive and have contributed to the slow processing of approval for small government contracts;

AND WHEREAS, a copy of the new Regulations entitled **FINANCIAL ORDERS (AMENDMENT) REGULATIONS, 2017** is annexed hereto as Sessional Paper No. HR 128/1/12;

AND WHEREAS, section 23 (4) of the Finance and Audit (Reform) Act, Chapter 15 of the Laws of Belize, Revised Edition 2011, provides that all Regulations made by the Minister shall be subject to affirmative resolution of the National Assembly;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the said **FINANCIAL ORDERS (AMENDMENT) REGULATIONS, 2017**, will give better effect to the provisions of the Finance and Audit (Reform) Act, Chapter 15 of the Laws of Belize, Revised Edition 2011, and to the general efficiency of government operations, approves and affirms these said Regulations.

Cabinet's recommendation was signified by the Minister.

Pursuant to Standing Orders, Motion was referred to the Finance and Economic Development Committee for examination, consideration and report.

4. International Cooperation and Development Fund of the Republic of China (Taiwan) Loan Guarantee Motion 2018 In Favor of Belize Telemedia Limited.

The Right Honourable Prime Minister and Minister of Finance and Natural Resources moved:

WHEREAS, Belize Telemedia Limited (“BTL”), is a private company incorporated under the laws of Belize which provides under license an extensive array of telecommunications and related services;

AND WHEREAS, majority shares in BTL are together held by the Government of Belize and by the Belize Social Security Board;

AND WHEREAS, BTL is desirous of borrowing funds from the International Cooperation and Development Fund (“the TaiwanICDF”) to assist in the financing of its National Broadband Program;

AND WHEREAS, the TaiwanICDF is prepared to offer BTL such financing in the amount not to exceed Seventeen Million and Five Hundred Thousand United States Dollars (US\$17,500,000) (“Loan”) under certain terms and conditions including the provision by the Government of Belize of an irrevocable and unconditional Loan Guarantee to the TaiwanICDF in favor of BTL, supported by a Resolution of the House of Representatives;

AND WHEREAS, section 6 of the Finance and Audit (Reform) Act, 2005 also requires that the Government of Belize seeks the prior approval of the National Assembly by way of Resolution to offer such a Loan Guarantee;

AND WHEREAS, the main terms and conditions of the TaiwanICDF Loan Offer to BTL are as follows:

Borrower:	Belize Telemedia Limited;
Lender:	The International Cooperation and Development Fund (TaiwanICDF);
Loan Principal Amount:	Up to US \$17,500,000.00 (Seventeen Million Five Hundred Thousand United States Dollars);
Loan Commitment Period:	Three Years;
Loan Term:	Twelve Years including a Three Years Grace Period;
Purpose:	To assist with financing of the installation of a state-of-the-art fiber optic network to connect homes and businesses throughout Belize;
Interest Rate:	5.5% per annum (fixed);

Repayment:	Repayment of the facility will be over a period of Nine Years after a Three Year Grace Period;
Commitment Fee:	0.75% per annum on the portion of the commitment that has not been drawn or cancelled;
Security:	Irrevocable and Unconditional Guarantee from the Government of Belize to the TaiwanICDF in favor of BTL for lending up to US\$17.5 million (Seventeen Million Five Hundred Thousand United States Dollars) to BTL, plus Interest and all other related charges, supported by a Resolution of the House of Representatives;

AND WHEREAS, the Government of Belize is desirous of obtaining the prior authorization of the National Assembly, by way of a Resolution, for the issue of such Loan Guarantee;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that a sovereign guarantee is a key requirement of the TaiwanICDF in the case of this specific Loan, and being further satisfied that the Belize Telemedia Limited has the financial ability to make the payments and repayments in respect of the Loan, and being additionally satisfied that this Loan will lead to the growth of the economy of Belize, hereby approves and confirms that the Government of Belize may issue the required Loan Guarantee to the International Cooperation and Development Fund (TaiwanICDF) in favor of Belize Telemedia Limited for the performance of the Loan, on the terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Guarantee Agreement and all other documents associated therewith for and on behalf of the Government of Belize.

Cabinet's recommendation was signified by the Minister.

(Suspension of the debate on the International Cooperation and Development Fund of the Republic of China (Taiwan) Loan Guarantee Motion 2018 In Favor of Belize Telemedia Limited)

In accordance with Standing Order 12 (8), the Right Honourable Prime Minister and Minister of Finance and Natural Resources moved that the proceedings on the matter on the Order Paper be entered upon and proceeded with at the Sitting at any hour though opposed.

Question put and agreed to.

(Resumption and continuation of the debate on the International Cooperation and

Development Fund of the Republic of China (Taiwan) Loan Guarantee Motion 2018 In Favor of Belize Telemedia Limited)

After the debate thereon, and pursuant to Standing Orders, Motion was referred to the Finance and Economic Development Committee for examination, consideration and report.

III BILL FOR SECOND READING

1. **General Revenue Supplementary Appropriation (2016/2017) (No.3) Bill, 2017.**

The Right Honourable Prime Minister and Minister of Finance and Natural Resources moved that the above-mentioned Bill be read a second time:-

Bill for an Act to appropriate further sums of money for the use of the Public Service of Belize for the financial year ending on the thirty-first day of March, two thousand and seventeen.

Question put and agreed to.

Bill read a second time.

IV BILL FOR THIRD READING

1. **General Revenue Supplementary Appropriation (2016/2017) (No.3) Bill, 2017.**

The Right Honourable Prime Minister and Minister of Finance and Natural Resources moved that the Bill be read a third time.

Question put and agreed to.

Bill read a third time.

ADJOURNMENT

The Right Honourable Prime Minister and Minister of Finance and Natural Resources moved that the House be adjourned.

After the debate thereon, question was put and agreed to.

The House adjourned at 1:55 P.M. to a date to be fixed by the Speaker.

Speaker.

**