

***PRESENTATION TO SECTORAL DEBATE
PARLIAMENTARY YEAR 2014/2015***

by

***Dr. the Hon Omar Davies, MP
Ministry of Transport, Works & Housing
May 14, 2014***

A: INTRODUCTION

1. Mr Speaker, I rise to make my contribution to the Sectoral Debate. It is universally recognized that the Ministry which I have been asked to head by the Prime Minister is a most expansive one – not only in terms of the central ministry, but also the several specialized agencies and public entities.
2. I wish to publicly place on record my appreciation to those persons with whom I have worked during this period - beginning with my political colleagues, the Minister without Portfolio, and the Minister of State. Sincere appreciation is also due to the Permanent Secretary and the other officials in the Ministry, the 2 Chief Technical Directors and the entire staff at all levels.
3. A special tribute goes to the staff in my office.
4. I wish also to pay tribute to the various Board Chairmen and Board members who have volunteered to take on onerous tasks. In many instances, these positions have turned out to be virtually full time jobs. In a time when so much of public discourse reflects a sense of doom and gloom, it is heartening that there are so many competent persons willing to volunteer their skills and time for national service.

B: EDUCATION INITIATIVES IN SOUTH ST ANDREW

1. It has become the norm for speakers in the Sectoral Debate to take a few minutes to speak of their constituencies. I will be no different, but I will focus my total attention on the initiatives which we have taken in the constituency over the 20 years that I have had the honour to represent the communities therein.
2. I take this step, not simply to publicly proclaim our achievements, but more importantly to share with other MPs possible steps which they can take to raise the educational levels in their own constituencies.

3. I take this opportunity to say special welcome to my two Councillors and support staff in my constituency office. I salute them, because they are as committed as I am to making education the primary thrust of our political activity in South St Andrew.
4. For that reason, today represented in the gathering are persons from each level of the educational system in South St Andrew. I will briefly describe the programmes which are in effect and indicate the successes we have reaped to date and the challenges which remain.
5. Mr Speaker, as I said earlier, last December I celebrated 20 years of representing South St Andrew. I must confess that for my initial period as MP, my interventions in the education system were the usual – assistance with back to school expenses and support for the acquisition of basic pieces of equipment needed by schools.
6. The enormity of the problem we faced was brought home to me when I was presented with a report from the Ministry of Education which indicated that two-thirds of the students at the primary level in the constituency were “at risk”. That meant that these students were either fully or functionally illiterate.
7. Immediately after seeing those depressing statistics, I received a letter from a friend, Mrs Paulette Latibeaudiere, who was then President of an organization called the Jamaica Association for Children with Learning Disabilities. She and the team at the Association had seen the same data as I had, and they requested a meeting with me to discuss steps which, they claimed, could address the problem.
8. She and the then Executive Director at the Association, Mrs Joan Hernandez, met with me and after we reviewed the disturbing statistics, they claimed that they could “fix the problem”. They argued that teaching children to read was a well-developed technique and once they had learned to read and, more important, had been taught to appreciate the world opened up through reading, all things were possible.
9. Naturally, I doubted their claims but felt that, as the budget which they presented was relatively small, I had nothing to lose.
10. The rest as they say “is history.” The first concrete sign that their formula was working, came in the results of the Grade 4 Examination followed by the rather spectacular improvement in the GSAT results two years later.
11. Mr Speaker, the usual number of GSAT passes to traditional schools each year used to be about 25. The first year following the introduction of the programme there were over 100 such passes obtained by the students from primary schools in the constituency.

12. As an aside, Mr Speaker, through you, I wish to say to the Minister of Education, as well as to his planning officials, that any attempt to restrict children from innercity schools to attending the high schools in their communities will be strongly opposed by the parents in South St. Andrew who have sacrificed to support their children in school. They will see this as an attempt to discriminate against them and their children
13. That first cohort of students performed exceptionally well in the CXC and subsequently CAPE. Mr Speaker, I am pleased to inform that 40 of that original cohort of 100 entered tertiary institutions in September 2010.
14. Today in the gathering are two members of that initial group - Strycen Williams, who graduated from the UWI with Upper Second Class Honours in Banking and Finance last year and Troy Williams, who is completing a degree in Animal Biology at UWI and has been accepted to study Dentistry at Utech in August.
15. Mr Speaker, there is a peculiarity about the results of our intervention. As I speak, a special Selection Panel is at work trying to select five students for support in pursuing tertiary studies. The members of the panel have indicated a challenge in selecting from the students who have been short-listed for the five available scholarships. Why? - Because of the high quality of applicants. It is important to note that of the 11 students shortlisted – nine are males
16. Following on the successes of the remedial reading programme, some parents of the children, who had benefitted, approached me about a “problem” even whilst expressing gratitude for the improvements in their children’s scholastic performance, they complained that I had forgotten that adults also had aspirations.
17. The ACE Programme: After consultation with Mrs Hernandez, she developed the programme called ACE (Adult Continuing Education). ACE utilizes the facilities at Charlie Smith High School after regular classes are completed each day. ACE started operations in September 2004.
18. ACE has provided a second chance for hundreds of adults and the lives of many have changed once they had been able to acquire their “subjects.” There are no fees charged for ACE classes and teachers are paid a small stipend financed by the Constituency Development Fund.
19. The latest development with regard to ACE is the opening of a second “Campus” at Jones Town Primary School, in collaboration with the Jamaica Foundation for

Lifelong Learning. Mrs Maria Jones, a former PS in the Ministry of Education and the Board Chairman of Jones Town Primary, was the prime mover in the initiative. The use of the Jones Town Primary School facility for adult classes, together with the opening of an Internet Café is making the school the focal point for a range of activities in the Jones Town community.

20. In total, 388 students are registered in ACE programmes. Notwithstanding the data shared with you concerning the male/female ratio of applicants for tertiary support, a continuing challenge, and one which faces the whole country in the post-secondary level in education, is the skewed ratio in favour of female students. In the ACE programme, the ratio of female to male at Charlie Smith is 210 females and 77 males. At Jones Town Primary, JFLL facility, it is 64 females and 36 males.
21. BASICS Initiative: The final element in the set of educational initiatives in South St Andrew is the BASICS Initiative. This programme partly financed by the CHASE Fund, links the 28 Early Childhood Institutions serving students in the communities of South St Andrew. The objective is to spread best practices amongst all institutions, simultaneously bringing about improvements in physical facilities as well as seeking to raise the capabilities of staff, as well as the nutrition of students.
22. There have been several positive spinoff developments some of which we did not anticipate when the BASICS Initiative was started. The following are three examples.
23. The first is a “Child Find” programme whereby we utilize the political organization to identify youngsters who should be enrolled in an early childhood institution, but who are not, because their parents cannot afford either the fees or the lunch money. Once the students are identified, an enlightened businessman, who seeks no publicity, provides funding to ensure that the fees for these youngsters are paid, that they are provided with appropriate uniforms, shoes and an allowance for food.
24. The second development, which holds out hope for continuing the gains after the CHASE-sponsored project is completed, is the formation of a Principals’ Association whereby the principals of the 28 basic schools meet on a regular basis to share best practices and to assist each other wherever possible.
25. The final development and the one which holds out greatest hope for sustaining the new thrust, even after the project is over, is related to the Parenting Organization which has been formed and which meets weekly under the guidance of Dr Beverley McKenzie. As a result of the interactions at these workshops, the parents have taken a far greater interest not only in the welfare of their own children but also in the general operation of the institutions which their children attend.

26. Before closing this discussion of the range of educational programmes which are helping to transform the communities in my constituency, let me congratulate the Ministers of Education and Finance and Planning, on the innovative changes which have been announced as regards the operations of the Students' Loan Bureau. These changes will go a long way to help to remove one of the major obstacles in our system and which could be seen as "slamming the door of opportunity" in the faces of those students from low income households.
27. Those students have done all we have asked of them but often cannot develop to their fullest potential simply because of the fact that their parents have low incomes and cannot assist with the range of expenses associated with tertiary study. All MPs would be aware of the tuition fees. However, it is often the case that the associated expenses combine to be an even greater sum.
28. However, the major point which I wish to make in this regard is to appeal to the Minister and the officials of the Ministry of Education to utilize a resource which, because of long-established prejudices, have remained unemployed or under-employed. That resource is the organizational reach of the political parties. I fully appreciate the concerns about political interference in appointments, etc.
29. What I am speaking about is using the organizational reach of the political parties to assist in disseminating information about educational opportunities as well as in monitoring the performance of the initiatives in the various communities.
30. It is the resource we have employed in our "Child Find" programme with great success. I dare say that neither PATH, nor the Ministry of Education itself has a similar reach.
31. Every single MP can indicate which principals demonstrate drive and initiative and which expect that all problems will be resolved by the Ministry from headquarters.
32. Mr Speaker, I accept that it is a delicate balance between the constructive involvement of the political directorate and the abuse of this opportunity for narrow political ends. Nonetheless, it would be a major blunder were we to miss the opportunity of increasing the number of persons within communities and constituencies who can assist with maximizing the returns to education given the limited resources available.

C: GROWTH AGENDA

1. Last year when I opened the Sectoral Debate I spoke to the challenges which we were facing as a country. I made reference then to the IMF Agreement and the resulting fiscal constraints within which we are required to operate.
2. Then, as now, it is necessary to reiterate that the passing of IMF quarterly tests, important as they are, is not the solution to our problems. They are only a means to an end. The real “test” is the stimulation of economic growth coupled with increased employment.
3. That is why, as an Administration, we have been focusing on pursuing a Growth Agenda.
4. In my own Ministry we fully understand that the macro-economic policy reforms being undertaken must be supported by adequate levels of infrastructure services which are a pre-requisite for enhancing economic growth.
5. It has been established worldwide that infrastructure development can contribute to economic growth by a) reducing the cost of production; b) contributing to the diversification of the economy; and c) raising the economic returns to labour.
6. In this regard we have been taking strategic and incremental steps towards the achievement of some key developmental goals which underpin the Government’s Growth Agenda.
7. Among some of the notable achievements were the conceptualization, start-up and successful implementation of the Jamaica Emergency Employment Programme (JEEP), advancement of the process for securing private investment for the development and operations of the Kingston Container Terminal (KCT) and the Norman Manley International Airport (NMIA).
8. We have secured financing for the implementation of the Major Infrastructure Development Programme (MIDP), which will see the rehabilitation and construction of several major roadways and road infrastructure. We have developed a number of housing solutions particularly for the most vulnerable.
9. Mr Speaker, we have also committed time, energy and resources to rehabilitating the public transportation system, beginning with the Kingston Metropolitan Region. I will be spending some time on that aspect of the Ministry’s work later in the presentation.
10. Although there is much work yet to be done, there is a strong commitment to pursuing the implementation of an integrated transport system and the modernization and optimization of infrastructure and services. Such developments have a positive impact on socio-economic indicators while directly impacting people’s lives.

11. At the core of this, is the desire for a more efficient and effective delivery of services, expanded and modernized infrastructure, reduction of the impact of operations on the taxpayer and the need to broaden the opportunities for economic and social advancement.
12. Mr Speaker, I would be less than forthright were I not to explicitly acknowledge that for several of the activities falling under the aegis of the ministry, there are questions in the minds of the public about the level of transparency which characterizes decision making.
13. In that regard, without fanfare, we have been taking steps to reduce and eliminate those practices which give credence to those suspicions.
14. Some members of the public have started writing to me, sometimes anonymously, to describe their experiences with officials. I encourage more persons to do so. I assure you that every case is investigated and whenever the charges are proved, or are shown to be credible, appropriate action is taken.
15. Mr Speaker I pause here to speak about a matter directly related to the work of my ministry. I refer to some of the changes taking place in the Infrastructure Sub-Committee of Cabinet which I have the honour to chair.
16. Infrastructure Sub-Committee
Last year I advised the Honourable House that the members of the Infrastructure Sub-committee had decided to broaden its objectives beyond reviewing and submitting to Cabinet contracts for approval. Consequently, we have also started to track the progress of each contract from the issuance of the RFP to presentation of the contract for approval.
17. As was indicated, in January 2012 when this Administration assumed the reins of office, contracts were being brought to the Sub-committee for which RFPs had been issued up to two years prior. By requiring ministries and entities to present a timeline for the process and to explain unnecessary delays between steps, this period has been reduced to three months in some cases.
18. However, we have now gone further to track the rate of project implementation, following Cabinet approval of the contract. This task has been assigned to the PIOJ and already this has produced results in terms of identifying those ministries and/or agencies which have been delinquent in implementing projects. The task given to the PIOJ has been expanded by drawing on the data collected by the Office of the Contractor General about all GOJ projects. The ultimate objective is to monitor all GOJ projects from the moment they are planned and the RFP issued, through to completion.
19. Mr Speaker, in seeking to streamline the GOJ's contracting process, we have identified three specific areas on which Central Government and the public entities expend billions of dollars annually - security, catering and portorage, and insurance - but where the rules on procurement are inconsistent and sometimes lacking in transparency. My colleague,

the Minister without Portfolio in the Ministry of Finance and Planning, will address this matter in greater detail in his presentation.

20. Mr Speaker, in seeking to broaden the role and operations of the Infrastructure Sub-committee, we have also been concerned about the registration process for contractors who wish to bid for GOJ projects.
21. It has been a matter of concern to members of the construction sector that firms could be denied registration without specific reasons given, nor a specific timeframe within which their cases would be resolved, one way or another. Of note is the fact that 84 contractors had been denied registration or reregistration, some dating back to 2009, and their files had been submitted to the Fraud Squad of the JCF for review to determine whether criminal charges should be pressed.
22. Members of the Infrastructure Sub-committee were of the view that whilst the right of the OCG to investigate whether fraud had been committed was not being questioned, a waiting period of five years was felt to be unjust and unfair. Consequently, I convened a meeting involving all the major parties, including the relevant Cabinet Ministers, the Contractor General, the Chairman of the National Contracts Commission, the Commissioner of Police and all relevant officials.
23. After a thorough investigation, and agreement by all parties, I can announce that the Fraud Squad of the JCF has determined that whilst there may have been errors in the registration process, these in the view of the investigating officers, could not be elevated to a charge of fraud.
24. Interestingly, Mr Speaker, the Commissioner recommended that a more rigorous education programme be instituted for applicants. Mr Speaker, this represents a more sensible and pragmatic approach to policy, rather than attempting to brand individuals as corrupt and for acting with a criminal intent.
25. Therefore, I have pleasure in indicating to this House and to the 84 contractors that based on the findings of the Fraud Squad, almost all will be invited to reapply for registration by the National Contracts Committee.

Structure of Presentation: Given the number of departments and public bodies falling within the Ministry it would be simply impossible to review the work of each. Without seeking to devalue the contribution of any department or entity – it is necessary to be selective in my presentation. The Minister without Portfolio with primary responsibility for housing will be making a separate presentation later in the Debate. The Minister of State will also be making a presentation, focusing on the enormous amount of work which has been carried out on the road network, bridge and drainage system.

D: PRIVATIZATION ACTIVITIES

1. The Kingston Container Terminal: The KCT has long been regarded as a prime asset of the GOJ, contributing significantly to the country's Gross Domestic Product and job creation. Efforts to secure the privatization of the Terminal, which officially commenced in the latter part of the 2012/2013 financial year with the engagement of the Enterprise Team, advanced significantly in 2013/2014.
2. April 2013 witnessed the top 22 Global Terminal Operators, along with 3 entities that had expressed an interest in the development of the KCT, being invited to submit bids for a long term concession to finance, expand, operate, maintain and transfer the KCT.
3. Five (5) bidders expressed an interest in the privatization of the KCT. Subsequent to assessing the bids, three entities were pre-qualified and recommended to proceed to the next stage, namely:
 - Ports of Singapore International
 - Dubai Ports
 - Terminal Link Consortium – consisting of Terminal Link, CMA CGM, China Merchant Holdings International [CMHI].
4. The bidding stage of the KCT PPP Transaction commenced on January 16, 2014. This saw the issuing of the Confidential Information Memorandum (CIM) and the Request for Proposals (RFP) to the three pre-qualified bidders. The draft Concession Agreement was subsequently issued on February 14, 2014.
5. As part of their due diligence in preparation for the completion and submission of bids, site visits by the 3 bidders were facilitated in February and March 2014.
6. The date for submission of bids has been revised from May 22, 2014 to July 3, 2014, in response to a request for extension of time by one of the short-listed entities.
7. By August/September 2014, the provisional preferred bidder should be selected, followed by contract award and signing by October/November 2014.
8. Mr Speaker, I wish to state whilst the Administration is committed to the privatization process, it must be made abundantly clear to all **THERE WILL BE NO FIRE SALE**, either of the KCT or any of the other assets.
9. Norman Manley Airport: The privatisation of the NMIA remains a priority in order to address significant deficiencies in the physical plant and to put the NMIA in a position to meet the requirements of its licence under the Airport Economic Regulations (2002) Act.
10. The Development Bank of Jamaica (DBJ), as the Secretariat, and the International Finance Corporation (IFC) as the Financial Advisors, have been pursuing the privatization of the Airport.
11. If all goes according to plan, the airport will be in private management by mid-year 2015.

12. The Jamaica Railway Corporation (JRC): Cabinet, on December 16, 2013, approved the Enterprise Team proceeding with discussions with the two (2) Companies that had submitted Expressions of Interest in the PPP for the operation and management of the railway. The Companies are Herzog Contracting Corporation and Railmark Holdings Limited.
13. Against this background, potential investors were offered the opportunity to submit a detailed proposal for the privatization of the JRC. Both companies submitted Business Plans by the March 31, 2014 deadline. Subsequently, the DBJ was informed of the interest of a 3rd firm and it was asked to provide evidence of its capability. The GOJ will be meeting with these firms to outline the GOJ's objectives for the railway.
14. Simultaneously, the GOJ is also in the process of conducting pre-market due diligence for sections of the railway that are deemed commercially viable. This approach is necessary in the event that a suitable partner is not identified to restore the entire rail network, and the GOJ decides to pursue the alternative strategy of extracting greater value from a break-up of the JRC's assets.

E: MAJOR PROJECTS

1. North-South Leg of H2K: Although this development is fully funded by external sources there is considerable government interest through NROCC, the relevant government agency.
2. Mr Speaker, this is a project to which I have given personal attention, not only because of the magnitude of the investment, over (US)\$600 million, but also because of the potential implications for the growth agenda.
3. I have pleasure in announcing that section 2 of this Toll Road will be completed in July of this year and will be opened to the public in August by the Prime Minister. Completion of this section (Linstead to Moneague) will eliminate the delays all of us have become accustomed to in traversing Mount Rosser and reduce travel time to 15 minutes.
4. Work is progressing apace on Section 1 – Ferry to Linstead and Section 3 – Moneague to Ocho Rios just west of Dunn's River Falls.
5. The target date of completion of these two sections is 2016.
6. Mr Speaker, I have said this many times but it is worth repeating. The benefit of this toll road, when completed, will far exceed it providing commuters with a modern highway, thus reducing travel time.

7. The potential benefits in terms of economic impact lie in the exploitation of the lands along the highway for a range of developments.
8. The investors in the highway, China Harbour, have clearly indicated that the construction of the toll road, important as it is in terms of improving travel, is not an end, in itself. Their plans involve development of commercial, housing and tourism assets in sections of the country which will be made accessible.
9. However, I wish to stress that we need the involvement of local entrepreneurs interested in long-term investments to pursue these opportunities.
10. I have made a presentation to a major pension fund manager that herein is a glorious opportunity for long term investment by Jamaica entrepreneurs. It would be ironic, indeed, if a foreign firm demonstrates greater faith in the long term future of our country - remember that it is a 50 year concession - than our local entrepreneurs.
11. I stand ready to discuss with interested local firms the possibilities which exist and how best to exploit them.

F: MAJOR INFRASTRUCTURE DEVELOPMENT PROGRAMME (MIDP):

The Major Infrastructure Development Programme (MIDP) is being implemented through a second infrastructure loan financed through the China EXIM Bank. The cost of the programme is US\$352M;

- China EXIM Bank Loan amount: US\$300M, and
 - GOJ counterpart funds: US\$52M.
12. The programme, which will be implemented over a 3-year period, seeks to address the urgent need to increase safety on the roadways by improving a number of important corridors through widening, rehabilitation and realignment, where necessary. Corridors identified for improvement under the programme include Nelson Mandela Highway, Hagley Park Road and Marcus Garvey Drive.
 13. On February 25, 2013, Cabinet gave approval for CHEC as the enterprise to be selected as contractor for the implementation of the programme. Works will be allocated in the following values:
 - US\$220M - CHEC
 - US\$82M - local contractors
 - US\$50M - JEEP
 14. Mr Speaker, I am pleased to inform that all matters pertaining to the MIDP contract have been settled:-

- the loan was approved by the Export-Import Bank of China;
 - the Preferential Loan Agreement was signed in August 2013
 - All conditions for the first disbursement have been met.
 - The NWA has identified the list of projects to be undertaken under the programme.
15. The JEEP component of the programme was launched on March 18, 2014 and the Commencement Order was issued on March 24, 2014. The JEEP/MIDP Programme will focus on small projects awarded to small contractors, primarily in grades 3 and 4. All 63 Members of Parliament (MPs) have been asked to submit projects and all have complied.
16. A sum of Four Billion Dollars (J\$4B) has been allocated in the budget for 2014/2015 for this component of MIDP.
17. It should be noted that my Ministry sought to make special provisions for small contractors, including having CHEC establish a special imprest account to facilitate prompt payment to the small contractors and their workers. However, the attempt to give preference to small contractors has met with mixed reactions. Several MPs have requested that this restriction be waived for the projects to be implemented in their constituencies.
18. Mr Speaker, I will not dwell on the matter but I urge members to contrast the transparent manner in which MIDP is being handled as opposed to how JDIP was handled.

G: JEEP

1. Launched on March 22, 2012, JEEP remains one of the strategies implemented by the GOJ to respond to the chronic unemployment status of some Jamaicans, particularly those in the lower socio-economic stratum; persons with special needs; those with low skill levels and those from under-served communities.
2. I cannot recall a programme implemented by any Administration which has had greater “buy in” from MPs. This has been achieved with no concession on transparency and accountability.
3. Phase I of the programme was completed in June 2012. Phase II, which commenced on July 1, 2012, was completed the end of June 2013. Phase III of the programme, targeting employment of 20,000 persons, commenced on July 1, 2013. Various financing sources for the programme were identified. A total of J\$2.1B was earmarked for the 2013/2014 financial year.
4. Since inception to March 31, 2014, a total of 44,255 persons have been employed under the programme. Overall, expenditure on the programme (March 2012 to March 2014) was J\$6.5B.
5. The JEEP Component of MIDP, is valued at (US)\$50M.

A total of \$1.6B will be spent on infrastructure projects and of this amount \$630M will be spent in Phase 1 (\$10M per constituency).
Target employment is 20,000 persons.

6. Other JEEP Initiatives

- (a) Construction of 1,200 wooden units island-wide - \$410M to be spent. This project is being funded by PetroCaribe.
- (b) The “Recycle Now” (PET) Bottle Recycling Project was launched on February 12, 2014 through a PPP. It is expected to lead to the reclamation of 35% of PET bottles placed on the market and the creation of a minimum of 300 jobs, while generating valuable foreign exchange.
The GOJ will provide \$50M per year over the life of the three year project, while the private sector will contribute \$23.75M annually over the period.
The project is expected to get fully underway by July 2014.

H: PORTLAND BIGHT ECONOMIC ZONE AND TRANS- SHIPMENT PORT

1. Although not a GOJ project, for a host of reasons, I must speak to this matter.
2. Over the past year, much has been said and written about this proposed investment by China Harbour Engineering Company (CHEC).
3. I have deliberately refrained from joining in this debate, much of which is sometimes based on erroneous claims and some questionable assertions. Consequently, I have deliberately sought only to speak publicly to state facts.
4. Mr Speaker, the project, if finally approved for implementation, will be a major transport and logistics hub, serving both the regional and international markets.
5. CHEC is currently working on the detailed technical and feasibility studies whilst the Port Authority is evaluating the proposed conditionalities. I signed an initial (non binding) Framework Agreement with CHEC on March 21, 2014.
6. CHEC, on completion of their feasibility studies, will submit Terms of Reference to NEPA for their approval to commence the environmental impact assessment.
7. This phase, inclusive of final designs, is expected to take approximately nine months.
8. Mr Speaker, the Administration does not pretend that it is ambivalent about the project. We want to implement it. Both sides are seriously engaged in carrying out the necessary preliminary work for implementation.

9. On Monday, for example, the Prime Minister, my colleague ministers in my Ministry and I, met with Dr Hailiang Song the Chairman and President of ZPMC at OPM. By way of background, ZPMC manufactures 70% of the world's demand for cranes used at transshipment ports.
10. ZPMC is seriously examining the establishment of a manufacturing facility in the economic zone which will fabricate these cranes for the Caribbean and Latin American markets.
11. Even whilst the preliminary work proceeds, all regulatory processes will be duly followed and there has been no attempt to bypass any steps. Only when these approvals are in place will a final decision be taken on the project by the Cabinet.
12. However, Mr Speaker, let me make it unambiguously clear. For a host of reasons we are serious about implementing this project.
13. For the record I would like to point out that the activities being contemplated in the Portland Bight Region are seen as complementary to the activities being pursued in the privatization of the KCT.

I: HAJ/BERNARD LODGE

1. Mr Speaker, several months ago the proposed development of a housing scheme on part of the Bernard Lodge lands was announced and units were advertised for sale by the Housing Agency of Jamaica (HAJ).
2. The proposed scheme was designed as a public/private sector partnership agreement where equity by the partners would be the provision of land by HAJ and development funding by the private partner.
3. Potential home owners demonstrated effective demand by entering into sale agreements and making deposits.
4. Unfortunately, to date, the private sector partners have not demonstrated the capability of living up to the most critical obligation under the agreement – that of securing financing for the development.
5. Be that as it may, I wish to assure this Honourable House and the depositors/potential home owners, that despite the deviation from the originally announced timetable:

- i) My ministry and indeed, the Government of Jamaica, will honour our obligations in accordance with the sales agreement. The development will be done!!
 - ii) I say to those citizens who have made deposits. Your deposits are safe, secured in a commercial bank and can be accounted for at any time.
 - iii) If any depositor wishes a full refund, this will be accommodated immediately.
 - iv) Communication will be developed with them, including, but not limited to, meetings as necessary on the approach being taken to implement the development.
6. In the meantime, I have taken action, including meetings with representatives of the new HAJ Board, management and other government agencies, to finalize the programme to move ahead. In particular, discussions have been held with the NHT, to explore possibilities for collaboration on this, and on other projects.
 7. Based on professional and technical advice presented to me, I have instructed that a more precise and in-depth cost analysis be conducted on the required supporting physical infrastructure - especially sewage disposal and storm drainage facilities - to ensure efficiency and effectiveness on installation.
 8. The promised dates of delivery will be delayed in order to complete the required due diligence. Notwithstanding, deadlines have been set for supply of requisite information to avoid further delays in moving forward.

J: TRAINING WORLD-CLASS PROFESSIONALS FOR THE GROWTH AGENDA

1. Mr Speaker, whilst I have had to omit a great deal of important information on the work of entities under the ministry, I feel it imperative that greater attention be paid to the work of the CMI.
2. This institution will play a critical role in the country's economic future in terms of producing qualified professionals to support the growth agenda.
3. The CMI Board is chaired by a dynamic Chairman, Joan Hernandez, a creative educator, totally committed to the view that every (both young and not so young) can be trained to be a productive citizen. The Executive Director, Dr Fritz Pinnock shares an identical viewpoint
4. The first point I wish to make is that work is far advanced to upgrade the CMI to being a specialized university catering to maritime, inter modal transportation and logistics, offering global certification, which meet and surpass international standards.

5. The student population of CMI is projected to grow to over 4,000 in the next two years.
6. One of the reasons we are confident about the growth of the CMI is that this institution has the highest placement record of any tertiary entity with an average of 93% of graduates obtaining high paying jobs immediately after graduation.
7. I wish to highlight some of the initiatives in which the CMI is engaged:
 - (a) FESTO Lab: CMI is partnering with FESTO Didactic to establish a centre certified by the world's leading company in the field of industrial automation and mechatronics. The funding for this project – [(US)\$2 million] is being supported by a grant from the Petrocaribe Fund. The FESTO Centre will produce certified technicians needed for the maintenance and operation of ports to meet not just demand in Jamaica but also regional and international demand.
 - (b) Siemens PLM Platform: The CMI is currently in the process of acquiring software from Siemens PLM valued at (US)\$50 million. This software will enable CMI to change the way students learn, facilitating learning through simulated training, which is computer aided practical learning. The CMI will be a simulation centre of the Americas equipped with over 50 different simulators satisfying the needs of the land, maritime and air sectors.
8. CMI now boasts a modern simulator Centre equipped with nine new state-of-the-art simulators, valued in excess of (US)\$1.5 million, funded by the Universal Service Fund.
9. CMI is also involved in researching and implementing alternate energy solutions. The Institute entered into partnership with the JPS for the retrofitting of street lights along the Palisadoes Road and in the Port Royal Community.
10. Existing Cobra streetlights have been retrofitted, using the CMI's own patented circuit board. This retrofitting will reduce energy costs by up to 70% per streetlight.
11. The institution is in the process of establishing a 125KW solar system which will generate 15% of the energy the institution consumes.
12. A new ABM is being installed on the campus by NCB. It will be the first hybrid wind and solar-powered ABM in the Caribbean.
13. The CMI is demonstrating the possibility of producing world-class professionals, even whilst surviving on limited resources. There is a pre-college programme presently being implemented with institutions such as Kingston High School. In

addition, next academic year, using space which the ministry has provided to them in the Air Jamaica building, there will be training for an additional 2,000 students drawn from institutions such as Sam Sharpe Teachers' College and Kingston High School.

14. Special credit for providing the CMI with this space must go to the PS who (incidentally) is a former PS in the Ministry of Education.

K: BRINGING ORDER TO THE PUBLIC TRANSPORTATION SYSTEM

1. Mr Speaker, it is no secret that I am not satisfied with the state of the public transportation system in Jamaica, which mainly serves members of lower income households as well as students, the elderly and physically challenged.
2. I am speaking not only about public transportation in the Kingston Metropolitan Region but island-wide. No well-thinking Jamaican could be satisfied with that which exists and the Administration is committed to improving the system to a level of which we all can be proud.
3. Critical to this process of modernization and greater discipline is the work of the Transport Authority, one of the agencies in the ministry.
4. The Transport Authority is presently implementing a range of initiatives aimed at improving the service provided to the commuters of the country. I will list just a few:
 - (a) In March of this year the Transport Authority introduced the Job Information Management System (JIM) which has greatly improved the efficiency in identifying PPV drivers and conductors.
 - (b) Similarly, a Road Management Information System (ROM), which will be facilitating the automation of road inspection, will be implemented during this financial year. It will enable Road Inspectors to access real time information on public passenger vehicles and operators "in the field", using a tablet computer.
5. The Transport Authority is acting to link the application for road licences to the drivers. It is now a requirement for owners/ operators of public passenger vehicles to register their drivers with the Transport Authority.
6. All drivers of public passenger vehicles are required by law to be the holder of a Transport Authority badge.
7. Mr Speaker, both the Ministry and the Board of the Transport Authority are aware of widespread allegations about the operations of officials employed to the Transport Authority. Whilst all these allegations may not be correct, I wish to assure my colleagues and the general public that we take them seriously and provided that specific details are given, they will all be investigated.

8. Therefore, I urge that persons involved in the sector should send in to the Ministry and me in particular, specifics on incidents of corruption about which they have knowledge.
9. Mr Speaker, I now go on to an in-depth discussion of a most important aspect of the public transportation sector in Jamaica – the JUTC.
 1. The JUTC: Mr Speaker, I now turn to the operations of an entity which plays a most important role in the socio-economic functioning of the Kingston Metropolitan Region and consequently of Jamaica. I speak of the JUTC.
 2. The JUTC was awarded an exclusive licence to provide public transportation services in the KMTR but, for a variety of reasons, private operators were granted licences to assist in serving the commuters in the region.
 3. This is neither the time nor place for a full exposition on the history of operations of the JUTC. Suffice it to say that for the entire period of its existence, it has faced financial challenges, caused in part from the fact that successive governments have been reluctant to allow for fares to be set at a rate which would allow the entity to break-even, if not to make a profit.
 4. There is obviously no absolute requirement that such a fare should be allowed. However, if an Administration is unable to provide a subsidy to meet the deficit between operating costs and the revenue collected from fares, the company will inevitably face challenges in meeting its basic obligations, either financially, or in terms of service delivery.
 5. Mr Speaker, I state the obvious but it is worth repeating that this entity, by definition, is almost totally dependent on imported inputs – buses, tires and especially fuel. At present, the JUTC is the single largest consumer of motor vehicle fuel averaging purchases of \$38 million per week – equal to 10% of the country's total consumption of such fuel.
 6. Put simply, Mr Speaker, compensation of employees is really the only significant expenditure of the JUTC which is totally denominated in Jamaican dollars.
 7. It is a fact that because of the inability of the Ministry of Finance to fill the financial deficit, there have been times in the recent past when the size of the fleet on the roads daily, has been reduced to 250. In fact, there were periods when that 250 figure has been maintained only by cannibalizing other buses, which themselves were off the road because of the unavailability of spare parts.

8. It was partly in recognition of the fact of this desperate situation in terms of the depleted fleet that, in 2011 the previous Administration ordered an additional 230 buses from the Belgian company which builds the buses.
9. This Administration inherited this order but there had been no formal Cabinet approval of the loan to purchase the buses. Although we had serious concerns, this Administration formally ratified the order in March 2012.
10. Mr Speaker, I repeat (solely for the record), that whilst the loan agreement to purchase these buses was signed by the then Minister of Finance in 2011, there was no approval by Cabinet of the loan until March 2012.
11. Such a situation could have provided ample opportunity to make narrow political gains but, after consultation with the Prime Minister, the Minister of Finance and Cabinet colleagues, it was determined that I would take a submission to Cabinet to “set things right”.
12. Mr Speaker, when this Administration speaks of finding ways to unify the country we mean it. We made no attempt to exploit the possible political “gains” about the order for buses as no rational person could question the need for the additional units.
13. Mr Speaker, we took that approach because Jamaica is not some “2-bit Banana Republic” and we decided that there was no benefit to the country to create an issue by refusing to proceed with the loan, although there had been no Cabinet approval.
14. After obtaining Cabinet’s belated approval of the loan, I travelled to Belgium, from where the buses are imported, to negotiate with the suppliers to reduce the number of buses and to reallocate funds from the loans to purchase sorely-needed spare parts.
15. Over the past two years with the phased arrival of the new buses, the number of road-worthy buses in the fleet has been increased from an average of 240 daily to the present figure of just under 500. This will be increased to 565 by August.
16. Mr Speaker, it is beyond dispute that the JUTC would have simply disintegrated unless specific steps were taken to systematically build back the fleet size and improve the availability of decent transportation options for the travelling public of the KMTR.
17. It is against this background that the Ministry together with the Board and management of the JUTC sought to reassess the number of prime JUTC routes which had been awarded to private sub-franchise holders.

18. A careful analysis was carried out which indicated that a return to the provision of an acceptable level of service would require the JUTC to re-examine the number of such sub-franchise licences which had been issued. There would also be need for sustained, programmed interaction with the holders of the sub-franchise, outlining the process through which the JUTC would reclaim routes which had been granted to private operators before, particularly on the most profitable routes.
19. I have spent so much time to present this background, Mr Speaker, because I wish to place formally on record a total rejection of the unfair, untrue and misleading assertion made by the Leader of the Opposition in his contribution to the budget debate.
20. Mr Speaker, I quote from the Leader of the Opposition's presentation (page 9) in his discussion of the JUTC's dealings with the private sub-franchise holders.
21. In speaking of the programme to reclaim some of the more profitable routes the Leader of the Opposition stated "It is presented in the most arrogant, take it or leave it manner. There is no consideration that people's livelihood are at stake this move is about the Government subjecting bus operators to "pain and punishment to meet its IMF target".
22. Mr Speaker, I not only refute this wild, malicious charge but I will now read into the record, nine separate meetings which have been held with representatives of the private sub-franchise groups including three involving Minister Guy and myself and even one involving the Honourable Prime Minister, at which I was present.
23. In those meetings, not only were the private operators allowed to state their case, but I draw specific attention to two meetings. In the meeting held in the Ministry's Conference Room on January 28, after listening to the complaints of the franchise holders, I extended the deadline for applications and allowed franchise holders to apply for routes which had not been advertised as available by the JUTC.
24. In the follow-up meeting held on February 14, 2014, I over-ruled the Board and management of the JUTC, instructing that an additional 30 licences for the most lucrative routes should be issued to sub-franchise owners.
25. Mr Speaker, it was this blatant misrepresentation of the facts which caused me to interrupt the presentation of the Leader of the Opposition. If you plan to re-write history, don't do it less than three months after the event. It leaves you too exposed to being seen, either as misinformed or simply mischievous.

26. Mr Speaker, every member of this House would confirm that I am accessible to all my colleague MPs. If the Leader of the Opposition wished to have information on the process, all he needed to do was to make a phone call. There was no reason for him to be misinformed unless he wished to be.
27. Apart from misleading the House, the Leader advanced to Parliament two superficial solutions to the problem. He proposed – (a) reducing the number of standing passengers on JUTC buses, thus using more buses to carry the same number of passengers; and (b) awarding off-peak hours exclusively to sub-franchise operators whilst restricting JUTC's operations to the peak hours.
28. To put it mildly and euphemistically, these proposals could not have benefitted from any serious reflection and/or analysis.
29. First, given the precarious financial situation of the JUTC, what logic is there in incurring the same operational costs whilst cutting your revenues in half by having sitting passengers only?
30. If the Leader of the Opposition had asked, I would have told him that one of the major challenges faced by the JUTC is its low load factor; the average is 52%. Is he saying that a lower load factor is desired?
31. In terms of handing over the off-peak hours exclusively to private franchise holders, if the Leader of the Opposition had run this wild idea by me, I could have helped. I would have told him the monthly collection in those “off-peak” hours is \$132 million – or \$1.6 billion per year. How would this loss of revenues be compensated for?
32. We deserve better than this from the Leader of the Opposition. Whilst it is a nice touch, relating anecdotes of his ride on a bus, operating a public transportation system is not based on gimmickry and anecdotes.
33. Mr Speaker, I have spent so much time seeking to lay out this problem because although the existence of an efficient public transportation system is a prerequisite for any major urban centre in the world, there is a more important fact which applies to this matter. The controversy has led to violent and, I venture to say, terrorist responses to which the JUTC buses and its workers have been subjected.

34. A rock thrown through the windshield of a moving bus cannot be regarded as an idle prank. This could lead to injury to the driver and worse yet, perhaps a fatal accident leading to loss of lives.
35. I noted with dismay that whilst the Leader of the Opposition found time to speak at some length on the matter of the JUTC's reclaiming some of its routes, there was not one word of condemnation of the terrorist actions; there was not one word of solidarity with the workers of the entity who have been placed under unnecessary stress and whose lives have been endangered by the behaviour of criminals – and there can be no other term to describe those who carried out these acts.
36. Mr Speaker, in his closing presentation the Minister of Finance and Planning spoke to the need for the country to reach the point where we can determine that certain issues need not be the subject of unnecessary divisions, partisan or otherwise.
37. Public transportation must be one such issue deserving of a coalition of all well-meaning people who oppose violence and anarchy and support order. On behalf of my Ministry and, indeed on behalf of the Administration, I commit to bring order and organization to the public transportation system not just in the KMTR but island-wide. Our people deserve no less.

L: DOING MORE WITH LESS

1. Mr Speaker, my Ministry and the associated public entities have accepted the reality that the GOJ will be short of cash (limited fiscal space) for the next several years.
2. Consequently, we are constantly seeking ways to use each dollar more efficiently (more bang for the buck). I will now briefly describe two initiatives which, without spending an extra dollar will reap real benefits.
3. Concrete Roads: During the Standing Finance Committee, I was asked by a member of the Opposition, whether any effort was being made to explore alternative road construction methods and I answered in the affirmative.
4. I recently invited two firms – one local and another multi-national which have an interest in this area of activity – to make a technical presentation to the political directorate and officials in the Ministry and the NWA.
5. Following the presentation there was frank exchange of views and I wish to announce a major policy undertaking by the Ministry.
6. For future road construction activities, the bid documents prepared by the NWA will invite responses which will speak only to the technical specifications required for the

structure of the roads to be built or repaired. In other words, responses can either be for construction using asphalt or concrete.

7. This represents a significant breakthrough in terms of exploiting the most cost effective road construction methodology. I will keep colleagues and the public fully informed on the matter.
8. Collaboration with Ministry of Local Government: The issue of responsibility for various sections of Jamaica's road network has long generated a great deal of discussion. It is well-known that even whilst the officials of the NWA complain about inadequate resources to address the roads which are specifically identified as their responsibility, the Ministry of Local Government and the local authorities express even stronger views.
9. The views of the Ministry of Local Government and the local authorities have become even more passionate as they feel that they were duped in giving up financial resources, which had been specifically allocated to them, to support the servicing of the JDIP loan in return for the promise of more equitable allocation of resources from JDIP.
10. Mr Speaker, I do not intend to enter that debate, even retrospectively. Speaking as a private citizen, I can indicate that the average taxpayer is not concerned about which arm of Government has legal responsibility for the maintenance and repair of the roads which he/she needs to use. I know because I am bombarded by requests from individuals, individual Parish Councillors and local authorities to repair roads which do not fall under the aegis of the NWA.
11. Nonetheless, since taking office, I have recognized that these calls for repairs to non-NWA roads cannot be ignored. In fact, during fiscal years 2012/13 and 2013/14, my Ministry, through the NWA has expended close to \$6 billion on such roads.
12. My colleague, the Minister of Local Government and I have agreed that as a matter of urgency we will work together on this matter. A "low-hanging fruit" is to develop greater coordination in assigning priority to the roads for which the local authorities are responsible in terms of their need for repairs.
13. This is not simply about my Ministry passing over additional resources to the local authorities, but also entails greater coordination in designing responses, as well as in technical specifications and procurement policies.
14. There can be no doubt that the result will be a more efficient use of what is, without doubt, inadequate resources.

M: CONCLUSION

1. As I indicated at the beginning of this presentation the Ministry which I have the honour of heading is responsible for numerous entities and consequently, the quality of services they provide.
2. Given time limitation, several institutions, each of which deserves full coverage, have not received such in this presentation. I have focused on the operations of the JUTC, the Transport Authority and the Caribbean Maritime Institute.
3. In terms of projects I have dealt not only with those financed by the GOJ but, in addition, those financed by private entrepreneurs. This is consistent with the policy of seeking private sector investments for sectors which were formerly the exclusive responsibility of the GOJ.
4. The total value of these private-funded projects is significant. Choosing the partners with whom Government will do business or to whom Government awards contracts provides my Ministry (both the political directorate and the officials) with great influence in determining how significant sums are expended.
5. In executing these tasks, integrity, transparency and equity are non-negotiable requirements. Let me indicate that the Administration has zero tolerance for the misuse of the attendant powers, either at the political, technical or administrative level.
6. Mr Speaker, it is important to recognize that all of us are here to serve only for a while.
7. Consequently, apart from being held to the highest level of accountability, it is also incumbent on us to be accessible to the general public, to community and special interest groups, and also to political representatives. I would dare to say that there is not one of my colleagues in this House who could truthfully claim discrimination in the allocation of resources.
8. There is ample evidence to support my assertion. I am most proud of the way in which our response to the loss of housing units in St. Mary, Portland and St. Thomas in 2012 was handled. There was not one claim of allocations being made on political grounds.
9. We are not suggesting that we have been perfect and we welcome comments, suggestions and criticism particularly in instances where there is the claim that equity has not prevailed.

10. Mr Speaker, our commitment is that all who work in the central ministry and the agencies and entities will seek to assiduously carry out the nation's business in a manner which will lead to us earning and retaining the trust of the public.

11. I thank you.