

Opinion | The Case For Privatizing WAPA

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There has been at times abuses of power in the semi- autonomous branches of our government including WAPA with a failure to follow basic accounting protocols and proper fiduciary oversight. The result is no accountability, mismanagement of assets, no bid contracts, questionable spending, inflated construction costs, etc.

The perfect illustration of this is the 2013 much-hyped and advertised anticipated rate relief of 30 percent for the propane conversion. The project spiraled from an initial reported budget of \$90 million to a year to date spend exceeding \$200 million.

Where is the oversight or public accounting for this failure in spending? Don't the taxpayers have a right to know the basis for the cost overruns and why the promised savings never materialized? When there is no public accountability or scrutiny, abuses will occur in government.

I applaud the St. Croix Chamber President Ryan Nelthropp's forceful editorial opposition to the current proposed WAPA increase. He says, "The private sector can no longer be relied on to bailout WAPA due to the authority's and the Government Of the Virgin Islands' mismanagement."

Should WAPA be sold or seek a strategic alliance with a private utility company that can help achieve operational efficiencies? If there was a sale, how would the rate payer be protected? These are important questions. In 2000 Southern Energy attempted to purchase WAPA. They publicly stated if the sale occurred they would stabilize rates, improve quality and reliability of service and encourage outside investors, who would have the necessary capitalization to upgrade equipment on an as-needed basis, something WAPA has failed to do consistently over the years. In August of 2000 on a Senate vote of 9 to 6, the Senate killed the Southern Electric deal.

The business merits of the deal became secondary to the prevailing opposition of the day, which positioned the sale as a loss of our cultural heritage to outsiders, which had to be avoided at all costs.

I would ask the question today: is anything worse than maintaining the status quo of frequent outages, the highest utility rates in the country, and never-ending rate increases? If this proposed rate increase goes through more businesses will close and more Virgin Islanders will face crushing economic hardship. Our economic recovery will be severely at risk if this tax is allowed to pass.

Governor Bryan ran on a platform of change. The current WAPA status is simply not sustainable and desperately needs to change.

The Virgin Islands Government should explore selling at least a 51 percent stake in WAPA with bedrock protections for the union rank and file.

We may have missed a historic opportunity in 2000 to do better for Virgin Islanders because of a mentality of politics as usual. Any privatization of WAPA will require the cooperation of the executive and legislative branches of government. This should be seriously explored as an alternative to another rate increase.

The men and women of WAPA rebuilt the grid after the hurricanes and their efforts were heroic. They put their lives at risk daily and there is deep appreciation and recognition within the community as a result.

This editorial in no way is meant to diminish the day-to-day contribution of rank and file personnel of WAPA. It is, however, written to our elected officials and the message is: The people of the Virgin Islands and business owners deserve reliable and affordable power.

Submitted on Tuesday by: Filippo Cassinelli