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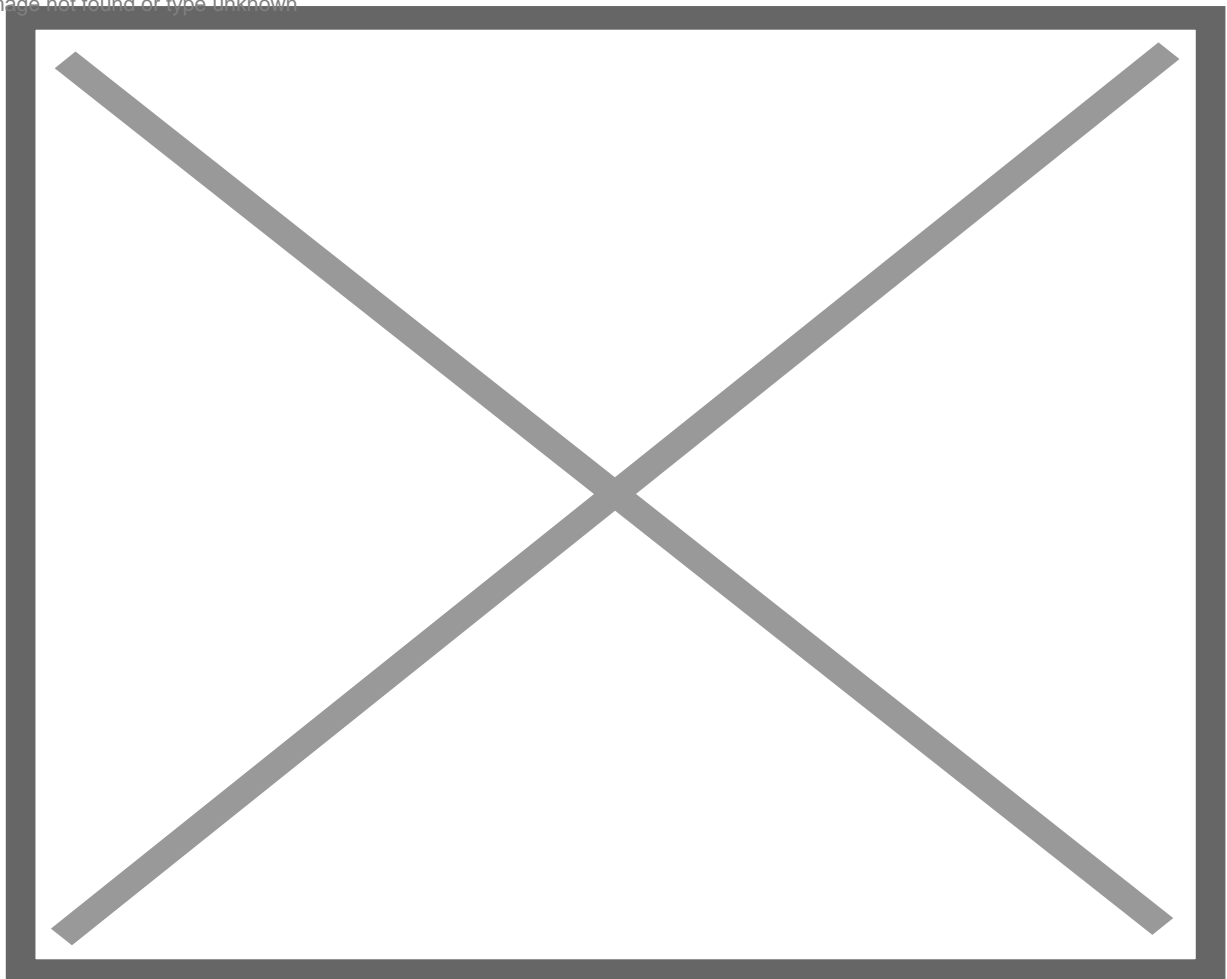
Plaskett Touts Legislative Achievements For VI, Warns Against Unrealistic Expectations Set By Lobbyists

Despite bureaucratic hurdles, significant legislative achievements secured for the U.S. Virgin Islands

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Delegate to Congress Stacey Plaskett.

V.I. Delegate to Congress Stacey Plaskett, while acknowledging the “enormous dysfunction that’s going on in Washington”, says that work on the territory’s policy agenda is still bearing fruit.

The headline of a Consortium article [earlier this week](#) prompted comment from Congresswoman Plaskett, who wanted to provide additional context to the discussion. While the piece focused on the roadblocks being faced in advancing key legislative goals, Ms. Plaskett highlighted several recent major wins for the territory , including passage of the [DisaporaLink legislation](#), the temporary changes to [FEMA cost-sharing requirements](#) and others.

During his presentation to the Public Finance Authority on April 15, David Schnittger of Squire Patton Boggs also mentioned past successes in terms of improving Medicaid funding, and securing HUD funding for the negotiated settlement between WAPA and VITOL.

However, as evidence that Congressional gridlock has halted progress on some crucial issues, Mr. Schnittger pointed to the two-year delay in securing what was hoped to be a permanent extension of the rate of rum cover-over remittances from the statutory \$10.50 per gallon to the “extended” \$13.25 per gallon. The most recent extension expired in 2021, and representatives from the Virgin Islands and Puerto Rico have thus far [failed to get traction](#) on having the extension included in relevant legislation.

This means that the government’s debt resecuritization plan, which was predicated on cover-over funds being received at the higher rate, anticipated more initial revenue than was actually received. The Government Employees' Retirement System, as a result, received \$34 million less than it was scheduled to receive in the October 2023 payment that came out of that resecuritization.

Ms. Plaskett believes that, notwithstanding the issues in Washington, the territory made a strategic error when crafting the plan to rework its debt. “We stated at the beginning of this securitization that the rum cover-over at the lower rate would probably have been the advisable amount to use — \$10.50 as opposed to \$13.25 — because we recognized that it was going to expire,” she stated. Unfortunately, “that advice was not heeded, and the \$13.25 was used.”

Although Governor Albert Bryan and Delegate Plaskett have both expressed confidence that the shortfall will be redressed retroactively when the cover-over rate is extended once again, the question of when such a measure will be able to get to the floor of Congress and passed is still an open one.

“There were lobbyists who told the Government of the Virgin Islands that they would be able to get it done in this last bill that came out of Ways & Means, I told them that it wasn’t going to happen,” Ms. Plaskett told the Consortium. “And I was correct.” She believes the next opportunity to address the rum cover-over issue will be when a Trump-era tax bill expires in 2025.

Until then, the congresswoman believes that regular conversations about the matter may be premature. “The notion that they have a working group that meets weekly on the subject; I’m not sure why, because there is no legislation going on right now that would be able to use the rum cover-over.” Ms. Plaskett said she is not part of those meetings, despite her previous experience with and likely future seat on the House Ways & Means committee.