The Virgin Islands Consortium

With Trump and GOP-Controlled Washington, GERS Plans Lobbying Push for Rum Cover-Over Extension

GERS trustees focus on lobbying for a permanent $13.25 rum cover-over rate and adjusting investments to navigate political and economic challenges under the Trump administration.

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The Capitol building in downtown Washington D.C., Home to the Senate and House of Representatives. **By. GETTY IMAGES**

During Thursday's meeting of the Government Employees' Retirement System Board of Trustees, board members questioned the health of the system's investment portfolio and considered additional lobbying efforts in Washington, D.C. on matters important to the system.

Tahmin Clarke, GERS’s newest trustee, questioned how board members intended to “position the fund relative to the changes in the political climate.”

GERS CEO Angel Dawson told Mr. Clarke that there had been a significant rebalancing exercise undertaken last November. “Previously our equity targets in the portfolio was at about 45%, so we reduced that to about 35 and transitioned that 10% to fixed income,” Mr. Dawson outlined. “We reduced our position slightly in emerging markets as well,” he added.

A discussion about lobbying efforts then ensued, amidst a suggestion that the entire board of GERS trustees travel to Washington in an effort to move the needle on legislation for a permanent extension of the rum cover-over rate to $13.25 per gallon. Travel for that purpose had been previously approved but never undertaken, the board was reminded. However, it was decided that prior to spending time and money on travel, board members would first seek to liaise again with the territory's delegate to Congress, Stacey Plaskett.

However, Mr. Dawson reminded the board that much effort has been expended on trying to move the appropriate legislation in Congress. The delay on the issue was through no fault of anyone connected to the territory, he argued. “The issue at the end of the day has come down to the impacts in Congress, where no tax legislation has moved, and we are a statistical running error in the United States,” he reminded. “If we've taken all of those steps …including Governor as well as the Delegate to Congress, then I think that we've done our duty.” Mr. Dawson concluded.

The discussion then moved to determining the board's new executive. Dwane Callwood was re-elected chair, while Leona Smith was voted as vice-chair.