

The Virgin Islands Consortium

Hovensa Reopening In 2015?

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When the HOVENSA refinery shuttered in 2012, it was like an earthquake had ripped through the Virgin Islands leaving only debris in its path. No, that's not clear enough. The closing of the HOVENSA refinery on St. Croix was Hurricane Hugo reincarnated.

The company had been losing money for three years as a perfect storm of conditions came together, forcing the owners to make the hard decision of eventually letting go just above 2,000 employees, and sending the Virgin Islands economy into a tailspin that it hasn't been able to recuperate from yet -- and the [2013 GDP of the Virgin Islands proves this](#).

It's been two years since the closure, and while the refinery retained a few workers to perform special tasks, the bulk of operations have halted, leaving us with only rumors.

The biggest rumor of the them all however, is from persons claiming to have actually seen Exxon Mobil coveralls arriving at post offices on St. Croix.

And boy have the rumors been many. I've had people who are currently working in the refinery tell me that they've heard from solid sources that the refinery has already been purchased, at least in part, by Exxon Mobil, the mega multinational firm headquartered in Irvin, Texas. Exxon Mobil is so mammoth in scope that it is currently the world's third largest company by revenue, and the second largest publicly traded company by market capitalization.

There's also talk that Virgin Islanders currently living in Irvin, Texas and working for Exxon Mobil there, are getting ready to relocate to St. Croix once the sale process is

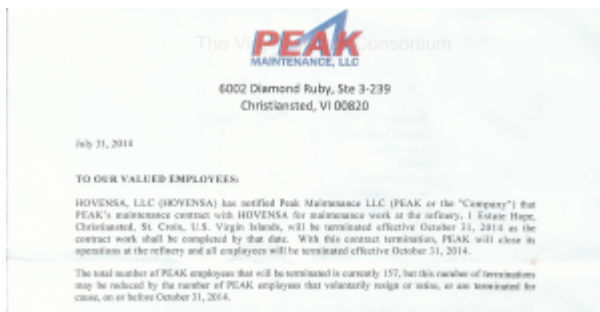


HOVENSA East Gate

Other people have made known to me that a Chinese firm may have been involved in some talks, and that I shouldn't be surprised if, when the news finally breaks, a company from the orient have partial ownership of the HOVENSA oil refinery on St. Croix.

The biggest rumor of the them all however, is from persons claiming to have actually seen Exxon Mobil coveralls arriving at post offices on St. Croix. These are actual workers from the Postal Service, claiming to have seen coveralls with Exxon Mobil logos, or boxes marked with Exxon Mobil information like an address and other postage information.

Recently most of the remaining employees of HOVENSA subcontractors received letters notifying them that their last day in the refinery will be October 31st, a move many believe will facilitate the refinery moving from the hands of its current owners to that of the new players.



Peak Maintenance LLC termination letter

Here's one thing we know: The refinery must be sold according to the Fourth Amendment agreement reached between owners of HOVENSA and the Government of the Virgin Islands. And it was only last week that those involved in the negotiation process -- whoever they are, requested two more weeks to finalize a deal. August 30th is the new deadline.

The Fourth Amendment Agreement between the V.I. Government and HOVENSA set up a period when the refinery would be for sale that only lasted through last Friday, after which the agreement and the "sales process period" would have expired unless the parties agreed in writing to extend it.

When the deadline passed, the message from Government House was rather vague, with Gov. deJongh only stating that "HOVENSA and its owners have requested additional time to continue discussions on aspects of the sales process established by the Fourth Amendment Agreement.

"In response, the parties have agreed to extend the sales process period until August 30th."



Empty HOVENSA Parking Lot

Recently most of the remaining employees of HOVENSA subcontractors received letters notifying them that their last day in the refinery will be October 31st, a move many believe will facilitate the refinery moving from the hands of its current owners to that of the new players. The new players will want to start fresh, with new salaries, new rules and a new vision.

Will the newfangled refinery employ over 2,000 people like HOVENSA did? Maybe not, but it's still expected to eventually employ hundreds -- if not over 1,000 workers, and that could only mean growth for the Virgin Islands economy, and a better standard of living for many who live here.

So, is HOVENSA reopening in 2015? There's no doubt that there's a pot on the fire. The trouble is we don't know for sure who the cooks are, and so determining how soon it will be ready is anyone's guess.

Still, the food will be cooked, and many in the Virgin Islands may eat from it sooner than we think.

Correction: An earlier version of this article stated that the remaining employees of HOVENSA subcontractors received letters notifying them that their last day in the refinery would be October 1st. That's incorrect, as the official letter workers received informing them of their dismissal is dated October 31st. We've updated the article to reflect the correct date, and have included an official letter of termination given to employees by HOVENSA subcontractor Peak Maintenance. Furthermore, while most of the employees have received dismissal letters, a few will remain to perform key work essential to keeping the refinery's crucial components operational.