

The Virgin Islands Consortium

Government House: News On HOVENSA Sale Will Come By Wednesday Or Thursday

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The *VI Consortium* has been keeping an eye out for news concerning the sale of the shuttered HOVENSA refinery, especially since the Fourth Amendment Agreement that governs the sales process between the Virgin Islands Government and the owners of the refinery has been breached twice, with the governor giving extensions in both instances.

Exactly where does the deal stand now? According to a statement issued by Government House, news regarding the sales process, following a meeting Governor de Jongh was invited to last week, will come this week.

The Governor had promised to reveal new details last week following his meeting with the refinery owners, but everything went quiet over the weekend and it is not known if a deal was reached or if discussions are ongoing. Now, Government House spokesperson Jean Greaux, Jr. said news concerning the sales process should be expected by Wednesday or Thursday.

The Back Story

Virgin Islanders were greeted with difficult news in January 2012 when the owners of HOVENSA announced the refinery would shut down, a reality that saw over 2,000 employees being made jobless. The decision led to talks between refinery owners and the Government of the Virgin Islands, and after a lengthy deliberation process which lasted over a year, the Fourth Amendment Agreement became a reality.

The document had HOVENSA agreeing to a sales process for the refinery with aid from an established investment banking firm, Lazard. As part of the deal, the Government of the Virgin Islands would allow HOVENSA to operate in the interim as an oil-storage terminal.

The Fourth Amendment Agreement between the Government of the Virgin Islands and HOVENSA expired on August 15, 2014; however, it was extended by 15 days to allow for more talks. The last day of the extension was Friday, August 29—the day HOVENSA owners requested even more time, which was granted by Governor de Jongh.