The Virgin Islands Consortium

HOVENSA Has Been Sold, Senator "Positive" Nelson Says

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The HOVENSA refinery on St. Croix, shuttered since early 2012, has been sold, Senator Terrence "Positive" Nelson said today on the Virgin Islands Political Consortium radio show on 102.1 FM, Life Radio.

> To be frankly honest, my understanding is that the refinery has been sold, the sale is complete.

Sen. Nelson was responding to a question concerning the status of the refinery when he made the revelation. Before offering those details, however, Nelson said the governor hadn't given any substantial information on the sale.

"We haven't been kept abreast in any fine detail other than knowing that there were some talks -- there were two qualified companies speaking to them -- meaning they had the money and the interest, and they came and did some visits," Nelson said.

He then went on to reveal what St. Croix residents and many former HOVENSA employees have been wanting to know for a long time.

"To be frankly honest, my understanding is that the refinery has been sold, the sale is complete," he said. "I don't know why they canceled the press conference, [however] we're meeting with the governor on Sunday, so I suspect he might disclose to us what's taking place then."

> Any sale is going to be contingent on them getting a concession agreement. So I'm quite certain that part of the discussion on Sunday is going to be what concessions are we willing to give, meaning the benefits, the breaks or what have you.

Sen. Nelson, who did not vote for the Fourth Amendment Agreement that allowed HOVENSA to operate as an oil storage facility while the owners searched for a buyer, said he did not like the terms the V.I. government agreed to.

"I did not vote for the HOVENSA agreement," Nelson said defiantly. "I did not like the way it was structured. I believe we were being cheated; I didn't see any consequence for the breach of the third extension agreement."

Nelson went on to explain the ways he felt St. Croix was not treated fairly in the deal.

"They left us holding the bag, they broke our Department of Labor compensation because they had not paid at the current rate of unemployment insurance, so when they laid off the 2,000 plus people, they used up our resources at the Department of Labor and also caused us to borrow monies from the federal government in order to pay these unemployment bills," he said. "I just felt that it was a bad deal, and we could have gotten a more equitable deal."

At an emergency meeting requested by Gov. de Jongh on Sept. 14 at 11 a.m., Nelson said he expects to hear details, not just about the sale, but more importantly, about concessions.

"Any sale is going to be contingent on them getting a concession agreement," Nelson said. "So, I'm quite certain that part of the discussion on Sunday is going to be what concessions are we willing to give, meaning the benefits, the breaks or what have you. And I think that's when the rubber is going to meet the road again, because we've seen...we've somewhat showed (sic) our hands [that] we can be a pushover government, that most entities that come to the island to do business pretty much wants us to roll out the red carpet, give them all concessions on one side and on our end, we do not quite get the benefits. I think we cheat ourselves."

Speaking about the discussions held between the V.I. government and the owners of HOVENSA to set in place the Fourth Amendment Agreement, Nelson said he and other senators who had concerns about the deal were vilified and accused of not wanting the refinery on St. Croix. That was not the case, the Senator contended.

"Some of us who voted against it were targeted, but the question was not whether we wanted a refinery here, the question was whether or not we were in agreement with the language in front of us," Nelson said.

Furthermore, the senator said if the Senate and the de Jongh administration had held out a bit longer, a better deal could have been reached.

"I think they let fear rule," Nelson said. "I believe that when you give in to fear, you're not going to make the best decision. I believe we could have gotten something more out of this deal had we just held our ground for a little bit."

Nelson said at the time he had suggested some changes to the deal.

"For instance, we as a government could not afford to give up $7 million a year from the payment in property taxes," he said. "At minimum, we should have kept that $14 million payment. So there were certain things that I would have liked to see change, and I'm hoping as it comes back now that we can hold our ground and get a fair deal for the people of the territory."

The *VI Consortium* will provide details on the Senate's meeting with the governor tomorrow once they become available.