

The Virgin Islands Consortium

Opinion: Let Virgin Islanders Purchase HOVENSA

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In the wake of the ABR VI Operating Agreement currently before the Senate for ratification, and other groups [still vying for a chance to bid](#) on the HOVENSA opportunity, St. Croix attorney Ronald E. Russell, Esq., of The Russell Law Firm, LLP, believes the defunct refinery should be purchased by the people of the Virgin Islands, particularly St. Croix residents.

Russell will testify today, Nov. 10, at the Senate's Committee of the Whole meeting on HOVENSA, which will take place at the Legislature building in Frederiksted at 4 p.m. Below, please find Mr. Russell's written testimony, as submitted to the *VI Consortium*.

Consider HOVENSA being acquired by the people of the Virgin Islands. The government, on behalf of the people of the Virgin Islands, could draft and complete a detailed HOVENSA acquisition agreement. As we understand it, there was only one response to the RFP. That response came from the buyer who has never ran an oil refinery. So how do we stack up against the current proposal to buy? We already own much of the property that HOVENSA use. The leased lands, submerged land, and access to the ports, contaminated water are the property for the people.

This agreement could include a GERS partnership, ownership, and partial funding relationship – consider WICO in St. Thomas? The financing arrangement naturally must include prior agreements; prior breaches of agreements; and all legal matters still pending and that may need re-opening. It should include the federal government, with direct assistance from the Department of Interior, the Office of the President and the Departments of Transportation, Homeland Security and Commerce.

This agreement could include WAPA moving its entire operation (i.e. water and power generating, distribution etc.) to the HOVENSA complex – Cost of Electricity and Water significantly reduced, the hazards of the residential location of WAPA resolved, better environmental mitigation and control in the enclosed complex. HOVENSA's power plant can generate Power from multiple sources. The reduction of the cost of energy would significantly impact St. Croix's people our economy and the territory. HOVENSA can provide water for farming, drinking and many other uses. Water can be sold, exported and used for several other type industries.

This agreement could move and/or consolidate our Waste Management Authority, Public Works Department, Energy Department, Port Authority and Waste to Energy initiative in one area on St. Croix. All HOVENSA and St. Croix's Environmental issues, created by HOVENSA, could be addressed in a wholesome process, involving the watchdog environmental groups, the government agencies and those from the private sector, including HOVENSA. The environmental cleanup and challenges can be addressed with SEA, all our schools, our non-profit groups and the resources and money available. This plan should be submitted to the people.

HOVENSA's acquisition can help solve our waste to energy issue with the use of its facilities, high technology and vast amounts of land. Imagine the recycling, manufacturing of waste to consumer products, and the limitless possibilities of exporting from the VI because we are using the plants designated for manufacturing on the South Shore of St Croix.

The HOVENSA complex already includes many of the services listed above, with the added dimensions of excellent security, special access, well-built structures and large tracts of land for expansion. The storage facilities and the port of entry for ships would be a huge advantage to stimulate creative entrepreneurs and spin-off businesses. Remember exports from the Virgin Islands could generate much income from the mainland and possibly tax deductions from the federal government.

How do we do it? Well there needs to be at least five teams of experts, consultants and advisors that would compose and revise this agreement. Those five groups are can be generally identified as: Technical Experts; Financial Experts; Legal Experts; Economic Experts, and Political Advisors and Officials. We have the talent here: Consider – Gustav

James, Warren Mosler, Retired Judge Verne Hodge, Dr. Simon Jones Henderickson and elected officials. Groups of 5 to 7 should suffice for our teams. We have the talent, the expertise, the education, the experience and individuals for these esteemed groups. Please join us in our quest to make this territory a beacon of hope, promise, prosperity and stability for the Caribbean and our great nation.

Submitted by:

Ronald E. Russell, Esq.

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