

The Virgin Islands Consortium

Senate Places ABR VI Deal On Hold

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At the end of an extended Senate session held on St. Thomas today, where the Attorney General and the principals of ABR VI hoped for a passing of the Operating Agreement signed between ABR and the Virgin Islands Government, the Senate sent the Agreement to the Finance Committee for further examination. A motion was also made, and passed, to table the ratification process until the Senate's counsel could review the Agreement and provide guidance on how to proceed.

Wednesday's session was a continuation of the Committee of the Whole hearing held Monday on St. Croix, where Atlantic Basin Refining (ABR VI) principals were pressed for answers as Senators [poked holes into many](#) of the claims and projections found in the company's Operating Agreement. Other companies, including Monarch Energy Partners,

also testified at Monday's hearing, making their case for why they should also be considered in the bid to purchase HOVENSA and said Lazard Brothers made it difficult to enter the bidding process.

On Wednesday, senators continued seeking answers from ABR. Sen. Terrence "Positive" Nelson pressed Attorney General Vincent Frazer on language Frazer used in his testimony at Monday's hearing concerning the closure and dismantling of the refinery if ABR VI found the refinery was no longer good for oil refining.

"Of course, if ABR does not obtain financing and successfully operates the refinery at the required level, the funds in the account will grow much more slowly. We believe this is acceptable, however, because so long as the Refinery is operational, it would make no sense to rush its deconstruction.," Frazer said Monday. "Only when the Refinery no longer offers the prospect of extensive employment and substantial economic activity does it become imperative to plan for and fund its removal. But make no mistake: under this Agreement, the Refinery and its related facilities will ultimately be taken down, and the site cleaned up. By the time the Agreement has run its course, there will be no industrial eyesore marring the views of the south shore."

Nelson was seeking clarification from Frazer, who tried explaining his statement meant that the cleanup process of the refinery would commence if ABR VI decided it was no longer profitable to continue refining oil. Nelson was not satisfied, but he moved to another question, again directed at Frazer, asking if ABR VI could default at anytime.

In his response, the Attorney General did not clarify what would happen to the refinery if ABR VI defaulted, but he did clarify that ABR VI can indeed default for reasons the company deem worthy.

The hearing continued with various senators pressing for answers and making known their concerns with the Agreement, again hinting that the document, in its current form, was in jeopardy.

When questioning of ABR's representatives was completed, Senate President Shawn-Michael Malone dismissed the panel of testifiers for a two-minute recess, and upon returning, Senator Kenneth Gittens moved to have the agreement be seen and examined by the Senate's counsel, a motion that was seconded and eventually agreed upon by all the lawmakers. The senators also agreed to send the Agreement to the Finance Committee for review.

Just before adjourning the meeting, Sen. Alicia "Chucky" Hansen was recognized to speak and said that it was not the Senate's intention to keep the Operating Agreement in limbo, adding that she hoped it would be brought up again in a special session called by Gov. de Jongh on November 19.

Wednesday's special session was adjourned at about 2 p.m.

Senators voting in favor of counsel examination of ABR's Operating Agreement before a final decision could be made on the deal are:

1. Senator Craig Barshinger — Yes
2. Senator Judi Buckley — Yes

3. Senator Diane Capehart — Yes
4. Senator Donald G. Cole — Yes
5. Senator Kenneth Gittens — Yes
6. Senator Clifford Graham — Yes
7. Senator Alicia “Chucky” Hansen — Yes
8. Senator Myron Jackson — Yes
9. Senator Shawn-Michael Malone — Yes
10. Senator Terrence “Positive” Nelson — Yes
11. Senator Nellie Rivera-O’Reilly — Yes
12. Senator Clarence Payne — Yes
13. Senator Tregenza A. Roach — Yes
14. Senator Sammuel Sanes — Yes
15. Senator Janette Millin Young — Yes