

The Virgin Islands Consortium

Governor-Elect Mapp: ABR VI Process 'Needs To Slow Down,' Asks Senate To 'Proceed With Caution'

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The ratification process of the Atlantic Basin Refining deal with HOVENSA needs to "slow down," the man who will be the Governor of the Virgin Islands in under two months said on talk radio Wednesday morning.

The 30th Legislature did not make an immediate decision on the Operating Agreement between ABR and the Virgin Islands Government after it heard testimony from both the owners of ABR and government representatives. The Senate also heard testimony from principals of Monarch Energy Partners, a company still hoping to bid on HOVENSA, and left the Committee of the Whole hearing with many lingering questions about the ABR agreement.

Governor-elect Kenneth Mapp shared some of the same reservations the Senators expressed [on the night of November 10](#), and asked lawmakers to move slowly with the deal.

"The question is does the operating agreement, as it is constructed, without access and knowledge of the purchase agreement, even able to answer the question for the set aside of the 50 percent of the payments in lieu of taxes and the sale price," Mapp said. "What can the people of the Virgin Islands expect in that transaction? Is it three times seven million dollars? Is it three years of abatement, which is supposed to be [recovering] the set aside of the pilot payment for the hire of the value of the sale capped at \$50 million?"

The newly elected Virgin Islands' leader did not stop there.

"And then you have the \$40 million of the \$43 million for the payment of the contamination, which would be due the people of the Virgin Islands," he said. "And if you read the media and you listen to the conversations even of ABR, there's this supposed interchanged that the \$40 million fee for contamination is also the bonus payment for the set aside of the payment in lieu of taxes."

He continued: "So, even from the perspective of ABR, there isn't even a clear and concise understanding that we're talking about two separate payments. And in this conversation of this proposed operating agreement, have HOVENSA said to the people of the Virgin Islands upon the sale, you can expect a payment of X dollars, pursuant to ratification of the Fourth Amendment Agreement, which sets aside the \$7 million for property taxes, in addition to ABR saying, 'we will take the responsibility on to pay or raise the \$40 million that's owed for the contamination?'"

Mapp, who recently defeated Delegate Donna M. Christensen in a landslide victory in the November 18 run-off election, said there seems to be confusion between HOVENSA and ABR -- and that's even before confronting questions Virgin Islanders, through their Senate, have about the operating agreement.

"So, just on the face, the very basic premise of obligations due and owing to the people of the Virgin Islands, there is confusion between the seller and the buyer; not even with the Legislature or the people of the Virgin Islands," Mapp said.

The Governor-elect said while is not seeking to tell the 30th Legislature how to do its job, his words, he said, "should be viewed as words of caution."

"The Legislature and members of the Legislatures will certainly make their decision, but what we are describing to you and to the people of the territory, [is] that this is a process that needs to slow down, and that there needs to be a clear and concise understanding of 1: Does ABR have the capacity in a reasonable expectation to be able to perform under the operating agreement. And if there is a reasonable expectation that they can perform, then that says something. [But] if there is not a reasonable expectation that they can perform, why would we supplant ABR in the obligations of Amerada Hess, HOVIC or HOVENSA," he said.

Mapp takes the oath of office in early January, and whether or not he gets to be involved in the sale of HOVENSA as Governor of the Virgin Islands is dependent upon the 30th

Legislature's decision to either vote up or down the ABR Operating Agreement.

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