The Virgin Islands Consortium

To Help Territory, Vialet Calls For Bailout, Nelson Wants 'Big Deal' And Francis Envisions A Merging Of All

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The U.S. Virgin Islands Revenue Estimating Conference (REC), the first of its kind and mandated by a 2013 law to be held twice every year, Wednesday brought together senators from both island districts, Mapp's financial team, other cabinet members, as well as members of the St. Croix Chamber of Commerce and other leaders to not only talk about the territory's woes, but to discuss ideas on how to solve them.

There, raw data was given including the revelation of what appears to be a constantly moving budget deficit of more than $100 million. Go here for raw data on the economic condition of the territory.

At the close of the conference, which was held at the Renaissance Carambola Beach Resort on St. Croix, *VI Consortium* spoke with St. Croix freshman Sens. Kurt Vialet and Novelle Francis, and with veteran senator, Terrence "Positive" Nelson.

The senators said they were hopeful for the territory's financial future and expressed satisfaction in the openness of Mapp's financial team.

"I'm impressed with the governor's financial team," Vialet said. "They've really been willing to provide information to us, and I'm seeing a different mindset in terms of the direction that they want to go."

He added: "I hope that what we're seeing now is going to be continued after they're sworn in, because I think if it is, we have a great opportunity of being able to recoup a number of taxes that we're not presently collecting."

Francis also said the transparency of the Mapp team was a breath of fresh air.

"For me, what stood out the most was the transparency in terms of information," he said. "Data is critical in order for us to move forward."

Francis noted that in the past, the Senate was not made privy to the information Government House has, so the new style of laying everything bare bodes well for better decision-making.

"In the past you've heard numbers thrown around but we have not been able to see the true data that of what the executive branch has, so I think that it will be important for us to be able to caucus as a body and make those decisions that need to be made," he said.

But the big question of the day was about Nelson's Virgin Islands Infrastructure Reconstruction Plan that would see the territory borrowing about $4 billion to move capital improvement projects forward, all while consolidating smaller, high-interest loans into one-lower interest, long-term payment.

VI Consortium sought to find out whether Vialet and Francis were in favor of the new 'Big Deal', as it's being called.

"We do need an infusion of cash," Vialet said, "the big question is going to be the source." Vialet said the federal government has a duty to support the territory, especially since it has been giving billions to other countries.

"I do think that the federal government has a responsibility to the Virgin Islands," Vialet continued. "They give billions of dollars to Israel and other countries, and sometimes they try to brainwash us [by saying] we should not be begging; but we're not begging, it's a responsibility. We're an entity of the United States, we have special conditions that govern the Virgin Islands in terms of geography, and I don't see the reason why [the federal government] can't provide a bailout for the Virgin Islands."

Vialet continued: "They bail out the car companies, they bail out the banks and numerous entities, so I think it's time for them to bail out the Virgin Islands, perhaps [with] even a zero percent loan that we will be able to pay back over a fifty-year period or [through a] loan grant. But, I think it's their responsibility, and I think that we need to collectively be able to approach them and influence them or be able to convince them as to why we need it, how we're going to spend it, and why it is their responsibility."

Francis said there are several other senators with plans similar to Nelson's that he thinks can be meshed into one offering.

"In regards to Sen. Nelson's plan, there are several senators that also have plans that I believe we could have a discussion and merge the plans so we could have a win-win situation at the end of the day that would be beneficial to us," he said. "But we're not in any way opposed to the plan that has been proposed by Sen. Nelson, but we just want, as a body, to sit down and look at all options at the table to get the right fitting of a plan that would come forth."

The senators said if Nelson's plan, or something similar make its way through the Senate and the governor vetoes the bill, they would unite to mount an override.

Nelson, who joined the conversation at its latter end, said the federal government cannot be forced into funding the territory, and that his bill does not only include one funding source, but multiple avenues. The senator also said he is willing to join forces with members of the legislature to get the bill through.

"And we have to be clear, we know we can't force the federal government to granting us or lend us this money," Nelson said, "that is why the bill proposes several financial instruments inclusive of federal grants or borrowing bonds. So, it reaches across and I am open to collaboration and I'm hoping that we can have this sit down as a body."

The 'big plan,' the senators assured, will happen sooner rather than later.

"We're actually hoping to discuss this, off record, as a body, so that by the time we come to the public we could have some consensus because we're not just going to give the governor a blank check," Nelson said. "We're going to have descriptive uses [to] prioritize how we want this spending done."

Nelson added that he learned in speaking with Morgan Stanley, one of the firms interested in his Infrastructure Reconstruction Plan, financial firms are generally not interested in funding a project, "they're interested in funding a plan, and that's why I believe once they see we're heading somewhere, the chances of it being funded is a lot more viable."

Vialet said action will be seen on the 'big deal' soon because "we don't have a choice." Francis added that the 'big plan' is "necessary" given the territory's current state. And Nelson said "at least some discussions" will be had.

Furthermore, Vialet said, "I think the administration is going to come down with a bonding bill, and we have to be able to collectively know what we want, so we can say, 'this is the direction that we want to see you guys move in.'"

During its presentation, governor Mapp's financial team said it would attempt to decrease the territory's debt by $50 million annually. Nelson said in order to accomplish this the administration would have to restructure the debt, which includes borrowing money.

"That $50 million decrease of annual debt is a borrowing bill that they didn't say in plain words, but in order to get down from $115 million to $65 million, that means you're going to have to restructure the debt. They just didn't say it," Nelson said.

"So we're hoping that nobody's trying to be king or star, and that we work together to move ahead," he concluded.