The Virgin Islands Consortium

If HOVENSA Has Been Sold, Governor Mapp Does Not Know

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ST. CROIX -- Governor Kenneth Mapp told *VI Consortium* on Wednesday that he was not aware of a deal that has reportedly been reached between the owners of HOVENSA and ABRVI/JP Energy for the sale of the refinery on the island's south shore, casting doubt on recent rumblings about a speedy process, as the governor revealed that he hasn't received any notification informing him of a sale.

The governor made his remarks during a press conference at Government House in Christiansted, where he spoke on a myriad of issues, including knowledge gleaned from his recent trip to Guam on climate change and more.

"I have gotten no mail and I have no knowledge of a deal, I have not been notified," the governor said. "I would welcome any successful transaction that could occur at HOVENSA, and if you say that it's on the way, I wait with open arms and anticipation, and we will take it from there."

Earlier this month, President of the 31st Legislature Neville James, who had read the reports, said St. Croix was in dire need of an economic boost, and that the sale of HOVENSA would add much-needed financial injection into the government's coffers.

“The catastrophic blow to our manufacturing sector has led to the doubling of our unemployment rate and the erosion of our middle class, especially on St. Croix,” said James. "The shuttering of the refinery itself resulted in an additional $100 million annual tax revenue loss to the territory and has had a largely negative impact on our local healthcare and educational system.”

He added: “Concerned citizens call my office every day and ask, what are we doing about jobs or will the refinery ever open again? It’s time we provide some answers to our people on this issue.”

According to James, the recent energy upsurge in the U.S. could prove timely if the territory partners with a company that is willing to restructure the old model of “gasoline heavy”, and instead follow the current trend in demand that is steering refineries to higher quality fuels and ultra-low sulphur.

James then pointed to JP Energy, the company that has apparently partnered with ABR VI in a redoubled effort to acquire the HOVENSA refinery, and said the firm’s strong financial standing “gives us hope that the plant is attractive enough for potential re-firing and job creation.”

Even so, the senator said it would be in the best interest of the parties involved to share some details with the public, as opposed to moving in a clandestine manner and presenting an agreement at the latter stages of the process.

James said while the legislature is not in the negotiating business, whatever agreement is reached must be ratified by the senate, so it’s indelible that information is released well before an operating agreement make its way to the legislative chambers.

“What we don’t want is to be force-fed an operating agreement that we haven’t had the time to vet and research ourselves, and then are forced to commit to a vote without necessary preparation,” James said. “Historically, deals have died on the table in the Senate because of this.”

He went on: “It would be wise if all the parties involved began taking the necessary measures of transparency, instead of leaking tidbits of information to the press.

But with Mapp making known that he has not received a letter as was being reported, the current situation at HOVENSA remains in question.