

The Virgin Islands Consortium

Gas Stations And Supermarkets "Ripping Off The People," Senator Kurt Vialet Says

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ST. THOMAS -- Members of the Public Services Commission (PSC) met with senators on the Committee on Finance, chaired by Senator Clifford Graham and co-chaired by St. Croix Democrat Kurt Vialet, at the Earl B. Ottley Legislative Hall on Monday to present the commission's budget of \$1,753,675, and discuss a variety of realities facing the commission, including its difficulty of reaching quorum and clarification on its authority over the Virgin Islands Water and Power Authority, among other important issues.

But Sen. Vialet, during a 5-minute round of questioning, challenged Donald Cole, the PSC's executive director, on the issue of gas prices that have remained steady at \$3.39 on St. Croix for months, while oil on the world markets has seen precipitous declines of

more than 60 percent and trading at an all-time low in the U.S. at around \$38 per barrel. Because of this, the cost of gas throughout the mainland has decreased drastically, some locations to below \$2.00 per gallon.

"On St. Croix and St. Thomas the gas stations are making more than a dollar a gallon," Violet said. "When we had the increase of gas prices, the gas stations said they were paying more for electricity so they had to increase their rate. The cost of fuel was also more. Now, the cost of fuel has gone down, electricity has gone down by 50 percent but the prices [of gas] haven't gone down."

He went on: "The same thing for the supermarkets, they said they had to raise the price on a lot of goods in the supermarkets because they were paying an enormous cost for electricity. But the cost of electricity has literally been reduced by 50 percent yet we're not seeing a corresponding drop in goods across the Virgin Islands and gas stations."

The first-term senator and highest vote-getter for the senate race in the 2014 General Elections, suggested a closer relationship between the two regulatory branches of government, the Department of Licensing and Consumer Affairs and the PSC, to better and more effectively monitor and regulate the price of goods in the territory.

"I really think that we're going to need to develop a very close relationship between your entity and the Department of Consumer and Licencing Affairs, so that we could regulate and make sure that the customers have the best prices throughout the Virgin Islands," Violet said. "Because to a certain degree they are just charging what we're willing to pay; and we don't have any other options. And at some point we've got to tell them, 'you've got to stop ripping off the people,'" Violet concluded.

The senator, emerging as a force and respected voice in the Senate, also questioned the PSC's rule of only adjusting WAPA rates twice annually, contending that with the price of oil decreasing by an additional \$10 to \$20 since the last adjustment in July 2015, a more active and real-time mechanism would serve residents better.

Cole, however, disagreed, stating that the means through which rates are adjusted, which includes hiring a consultant, was costly, and that rate payers are reimbursed a on their following WAPA bill to make up for savings realized on drops in oil prices on the world markets prior to PSC adjustments. And in answering a question Violet posed concerning adopting a more real-time system whereby rates are adjusted on the fly, Cole said the process was more than meets the eye; and that the hiring of professionals in the field of rate adjustments would always be necessary.

Violet also questioned PSC officials on the commission's relationship with Innovative Communications Corporation and what he deemed as the unreliable phone service the firm provides with the EVO system -- which dies when power is off after lasting for about 6 hours. The problem was magnified during the passage of Tropical Storm Erika, and Cole said discussions have been held and that a new meeting date with ICC officials was set for Sept. 22.

Other government agencies testifying at yesterday's budget wrap-up hearing included the Virgin Islands Carnival Committee, requesting a FY2016 budget of \$650,000, up \$124,600 from the last fiscal year; The Virgin Islands Olympic Committee asking for \$300,000 for its FY2016 budget; and the Labor Management Council, requesting

\$175,000 up \$10,000 from last year.

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