The Virgin Islands Consortium

# Neville James To HOVENSA: Sell It or Scrap It

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ST. CROIX -- Senate President Neville James has a direct message for the owners of the oil refinery located on the south shore of this island: sell it or scrap it.

James said the owners of the refinery owe the people of the Virgin Islands a definitive answer in regards to their endgame, and if there are no plans, then the plant owners should strongly consider scrapping any salvageable equipment on hand for profit and perhaps leaving the territory for good.

"The 31st Legislature has been in office for 9 months now, and not one representative or principle of the plant has reached out and made any indication of whether they still intend to go into a sales process as stipulated by the 4th extension agreement or if they have given up altogether," explained Senator James.

“The previous legislature by way of the 4th Amendment provided a vehicle in which HOVENSA could enter into a sales process, albeit the initial buyers chosen were ultimately rejected by the Legislature, but that doesn’t negate the fact the law states that HOVENSA must still enter into a sales process," he added.

The Fourth Amendment Agreement that was passed by the 30th Legislature and enacted by Governor John Dejoghn Jr. on November 7, 2013 had HOVENSA agreeing to a sales process for the refinery, with an experienced investment banking firm, and the government agreeing to allow HOVENSA to operate the refinery site as an oil storage terminal while it was up for sale.

On December 19, 2014, in the final Senate hearing of the 30th Legislature, an operating agreement that would have allowed the startup firm, Atlantic Basin Refining (ABRVI) to take possession of the HOVENSA Plant and enter into agreements with GVI, was rejected by a majority of the members of the body. The ratification of the contract was rejected by an 11-2 margin.

Senator James said while the Senate’s rejection sent the process back to the drawing board, it didn’t kill the prospect of a potential buyer being vetted. He called on HOVENSA to inform the people of the Virgin Islands whether they still intend to attain the services of Lazard Sales Associates to retain a buyer or whether they intend on breaking down the rusting infrastructure and selling off any usable assets.

"The plant at present is an eyesore on the South Shore, a potential safety hazard and is rapidly depreciating in value every day that passes. Notwithstanding the Governors hands off position on the situation, we, the Senate body, need answers, today," demanded James.

"HOVENSA hasn’t said whether or not Lazard, the designated sales associate, has vetted any more potential investors as of to date, however according to the law, they are still obligated to sell, and that’s what they need to do, sell it or scrap it,” he concluded.