

The Virgin Islands Consortium

Neville James Decries 'Gun To Head Approach' To Approve HOVENSA Deal

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Ernice Gilbert **December 04, 2015**



ST. CROIX -- Senate President Neville James does not like the idea of rushing through a far-reaching deal as the operating agreement between the Government of the Virgin Islands and ArcLight Partners, LLC, one with consequences well past two decades. Mr. James, in a press release issued this afternoon, said, "the Legislature as an institution always seems to be put in this position on negotiated contracts submitted to review to the Body.

Governor Kenneth Mapp, during a press conference held at Government House in St. Thomas on Tuesday morning, told The Consortium that the agreement was time-sensitive, and that the Senate had until December 31, 2015 to ratify it, or face losing the

entire accord altogether.

The agreement would see, among other things, the GVI netting \$220 million upon ratification, for a 25-year deal (with a 15-year renewal option) -- allowing ArcLight to operate the terminal portion of HOVENSA, and turning it into a [world class oil storage facility](#) by putting a new ship unloading component that is able to accommodate what is called very large crude carriers (VLCCs), according to company officials. The firm has also been [in talks with parties](#) who are interested in restarting some refining units on the east side of the plant.

But the deal also includes great incentives for ArcLight, including the wavering of most taxes, and Mr. James says the review process should be "meticulous."

"While I'm aware of the governor's stated desire for us to be cognizant of the December 31st deadline given by the current owners Hess and PDVSA, I have never been comfortable with the "gun to the head" approach," he said.

And Mr. James was hoping for a deal that included refining because of the greater amount of jobs associated with it. But, he said, "at the end of the day, the governor negotiates and proposes, and the legislature scrutinizes and disposes."

The governor said he would call the Senate into session on December 17 to begin the ratification process.

Feature Image: From left to right: Senator Neville James and Department of Planning and Natural Resources Commissioner Dawn Henry at the Earl B. Ottley Legislative Hall in St. Thomas.

Image Credit: 31st Legislature.