

The Virgin Islands Consortium

Mapp Proud Of Decision To Reject 11 Out Of 41 EDA Applicants, Even As Senate Seeks To Remove Him From Process

Business / **Published On June 10, 2017 11:02 AM /**

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Governor Kenneth Mapp earlier this week met with U.S. Department of Treasury Secretary Steve Mnuchin in Washington, D.C., to discuss a variety of issues relating to the territory, chief among them the territory's Economic Development Authority (E.D.A.) program, whose ability to grant generous tax breaks to U.S. firms that decide to do business in the territory, is governed by the U.S. Department of Treasury.

Government House said that Mr. Mnuchin was pleased to learn of Mr. Mapp's handling of some E.D.A. applicants, after Mr. Mapp rejected at least 11 companies that the governor

said had failed to meet the requirements.

"I was happy to be able to report that, as governor, I have had 41 applications on my desk, and 11 of them didn't meet the standard and they were not approved," he said. "There's this misperception that whoever applies for benefits will simply get them."

How Mr. Mapp's comments will be perceived by 32nd Legislature senators who contend that the governor should not be in the business of approving E.D.A. beneficiaries -- a job they believe should be adequately handled by the E.D.A. board and related government entities -- remains to be seen.

In March, Mr. Mapp [vetoed Bill No. 32-0018](#), which, among other things, sought to remove the governor from the process of approving new E.D.A. applicants, while directing the Department of Licensing and Consumer Affairs (D.L.C.A.) to approve licenses within thirty days for first-time applicants. In lieu of the governor, the measure would mandate the E.D.A. to submit to the Legislature within 30 days an expedited process for new Economic Development Commission (E.D.C.) applicants.

In his veto message, Mr. Mapp said that the bill places undue burdens on the Department of Planning and Natural Resources and D.L.C.A., which would be required to act on certain applications within a limited time period. The agencies would not have sufficient time to ensure compliance with requirements of law, he stated. Mr. Mapp pointed out that the current law requires the governor to explain in detail any disapproval of benefits. He cautioned the Legislature against removing him from the process, arguing that such a move risks signaling to beneficiaries that they need not comply fully with the benefit contracts they execute.

But the measure's chief sponsor, Kurt Vialet, has argued that the governor does not need to be in the process of approving [E.D.C. benefits](#), given through the E.D.A., as it slows down application time. The Senate has the power to override the governor's veto with two-thirds of the body.

In D.C., Mr. Mapp reassured Mr. Mnuchin that each applicant was carefully screened, and that he personally signed off on each agreement. The governor also noted the importance of Dept. of Treasury's perception of the program.

"The Treasury Department will step in and obstruct the program if it feels that we're not properly policing and ensuring that the people of the Virgin Islands are getting the jobs and economic infusion that the program was created to provide to us," Mr. Mapp said, recalling a period in the early 2000s when the USVI's program was curtailed by the Internal Revenue Service.