

The Virgin Islands Consortium

Thousands Of Jobs May Be Headed To St. Croix And Texas Following Trump Deals With Chinese Oil And Gas Giant

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ST. CROIX -- It was all talk and little to show for it back in June 2016, when The Consortium [asked](#) Governor Kenneth Mapp about a timeline for jobs he said would be coming to St. Croix through the ArcLight Partners, LLC agreement, as the firm had partnered with China Petroleum & Chemical Corp., also called Sinopec, for the expansion of the Limetree Bay Terminals' oil storage facility, other oil-related work, and, importantly, some oil refining.

These jobs were to be aside from the roughly 500 people currently working at the oil storage facility.

"I have no specific date to give you, but I can tell you [Sinopec's] commitment is to get this process in full gear within the next few years," Mr. Mapp said.

Fast forward to November 2017 -- following President Donald Trump's visit to China, where he worked to broker billions of dollars in energy deals -- and suddenly the talk of additional jobs at Limetree Bay Terminals through Sinopec is more promising. According to [Bloomberg](#), one of Mr. Trump's biggest deals was a multibillion-dollar energy investment from Sinopec that is projected to bring thousands of new jobs to hurricane-ravaged areas in Texas and the U.S. Virgin Islands.

On November 8, the same day Mr. Trump arrived in China, Limetree Bay Terminals, which is a subsidiary of ArcLight Partners, [applied](#) for a permit through the Army Corps of Engineers (USACE) to expand its marine terminal to accommodate very large bulk fuel carriers (VLBFC). Aside from the significance of coinciding with Mr. Trump's visit to the orient, the USACE application also represents another step by Limetree Bay to fulfill its [2015 contract](#) with the Government of the Virgin Islands. Part of the landmark deal saw the firm agreeing to \$125 million in capital spending, which, among other obligations, includes the buildout of its marine facility to accommodate VLBFCs.

With Mr. Trump securing the deals with Sinopec, though they are non-binding, the Virgin Islands economy, more specifically St. Croix's, could benefit greatly from the hundreds -- if not over a thousand -- additional job opportunities to be made available at Limetree Bay. And with the possibility of oil refining on the table, the island's economy, brought to its knees when HOVENSA shuttered, could regain some of its former strength.

"It is the company's intention that some level of refining will be necessary at the St. Croix refinery," Mr. Mapp said in June 2016. "I do not want to be construed as announcing today that the company has made a decision to turn on the refinery. But for all intents and from all our discussions, and all of their plans having to do with blending of crude, and the storage of crude — there is a great possibility that the south shore refinery will, in fact, be restarted."

"I want to be clear to the people of the Virgin Islands that the significant amount of jobs to our economy, the number of jobs to be created, the revenues to be derived by the local government will be significant," Mr. Mapp also stated during the [press conference in June 2016](#). The governor said the level of employment needed would be beyond what the territory can manage. He said vocational training must be escalated so that locals could take advantage of some of the incoming positions, and he spoke of teaming up with the Department of Education to help accomplish this goal.

The investments by Sinopec in Texas and St. Croix are expected to be significant. According to Bloomberg, though details of the project were yet to be finalized, Sinopec is expected to partner with ArcLight Capital and Freepoint Commodities LLC -- a Connecticut commodity trading firm [which owns a 20 percent stake](#) in Limetree Bay -- for the deal, which is expected to be worth more than \$7 billion in investments.

And the Trump administration's efforts in China stand to not only boost the president's approval rating, but they also serve to bolster Mr. Mapp's as well. The governor had long talked about improving the territory's economy, but the downward spiral continued under his tenure, with the government constantly at risk of not meeting its financial obligations, and with the bond market -- losing its confidence in the USVI's ability to pay its debts -- refusing to lend money to the government. The situation has been so dire that [tax laws](#) had to be enacted for additional revenues. And were it not for Hurricanes Irma and Maria, which opened up the floodgates of federal financial aid (\$500 million in disaster loans were approved for the local government), there is no telling what position the local government would be in.

So the expanded partnership between ArcLight Partners and Sinopec comes at a time when the territory could use some positive news. The hurricanes ravaged the islands, forcing thousands of Virgin Islanders to move to the mainland. The education system was diminished as about 150 Dept. of Education employees left for jobs elsewhere, and over 7 schools were condemned. And though the federal government's low-interest loans to the USVI will help the government remain solvent, the funds won't last forever. Mr. Mapp and a delegation of USVI officials are currently in Washington lobbying for an estimated \$7.5 billion in aid to help rebuild the territory's damaged or destroyed infrastructure. But how much Congress will agree to give -- whether through grants or loans -- has not been determined.