The Virgin Islands Consortium

With USVI Running Out Of Time And Money, Senators Will Decide Fate Of $500 Million Federal Disaster Loan Bill Today

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ST. THOMAS -- “It’s like they dig a hole and you got to jump in it. It’s not even a hole; they put us in a trench.” Those were the words of Senate President Myron Jackson during an interview with The Consortium early Thursday, when responding to the federal government's insistence that before it could release the first $300 million of a $500 million community disaster loan to the Virgin Islands government, it must receive priority over the territory's current bondholders, which simply means it would not accept subordinate liens.

A subordinate lien is any secondary lien that is placed on a property, the property in the territory's case being Matching Fund Revenue (MFR) and Gross Receipt Tax (GRT) bonds. In basic terms, a subordinate lien is any lien that has less of a payment priority than liens that have already been placed. It would be like having a first and second mortgage.

Even Governor Kenneth Mapp who has been eager to see the bill approved, expressed uneasiness with the federal government's request. "Given the government's existing contractual commitments, the government is hesitant to grant a priority lien on such general obligation, notwithstanding the federal government will not accept a subordinate lien position on the government's general obligation debt," Mr. Mapp told lawmakers in a transmittal letter.

Senators were to take action of the measure on Thursday, but decided to deal with a host of other items while leaving the disaster loan measure along with a bill seeking to ban the burning of debris, for today. Mr. Mapp has rescheduled a press briefing that was set for Thursday to Monday.

Actions taken during Thursday's session included the approval of nominees Kent Bernier, Sr. to be a member of the Public Services Commission (PSC), and Annie Day Henry to become a member of the Public Employees Relations Board. Senators had mixed sentiments concerning the resolution to commend Nels Hawkinson for funding the Paradise Jam tournament in the Virgin Islands, but the resolution was ultimately approved with a narrow 8-7 margin.

The lawmakers also voted favorably for the following Coastal Zone Management Permits:

- Bill No. 32-0151- An Act ratifying Major Coastal Zone Management Permit No. CZX-1-17 (W) issued to the Virgin Islands Port Authority to allow the dredging of the Krause Lagoon and Cross Channels located on the south shore of St. Croix, Virgin Islands.
- Bill No. 32-0152- An Act Ratifying Major Coastal Zone Permit No. CZX36-16 (L & W) issued to V.I. Port Authority to allow demolition and reconstruction of the entire Gallows Bay Marine Terminal.
- Bill No. 32-0158-An Act ratifying Minor Coastal Zone Permit No. CZX-31-16W issued to AT&T of the Virgin Islands, Inc. for the continued use and occupancy of (5) 5.75' OD cable conduits at a water depth of 45" on the ocean floor.
- Bill No. 32-0159- An Act ratifying Minor Coastal Zone Permit No. CZJ27-16W issued to Lovango Shores, LLC to allow for the continued use of an existing 5' L shape dock (434 sq. feet of water area) as depicted on OLG Map #D9-7138=T002 located in Pillsbury Sound, Seward of Parcel I Remainder Lovango Cay. St. John.

The approved measures were forwarded to Mr. Mapp. Senators present at Thursday's session were Mr. Jackson, Marvin Blyden, Dwayne DeGraff, Tregenza Roach, Alicia "Chucky" Hansen, Janette Millin Young, Positive Nelson, Janelle Sarauw, Nereida Rivera O'Reilly, Jean Forde, Neville James, Brian Smith, Sammuel Sanes, Novelle Francis and Kurt Vialet.