The Virgin Islands Consortium

# Attracting Rum Companies To USVI Was Major Part Of Bryan Campaign. Now, Only 'Boutique' Outfits Are Interested.

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The Government Employees' Retirement System, the pension plan for government employees, was a major campaign topic during the 2018 election cycle. Many candidates offered solutions to stave off collapse of the beleaguered retirement system, including Governor Albert Bryan, then a candidate in the gubernatorial race looking to convince Virgin Islanders that he had the recipe to rescue G.E.R.S. Mr. Bryan was confident about his plan, too: “Let’s face it, even if we give up half of the revenues, we’re still going to make 40 to 50 million dollars. Forty to fifty million is enough money for us to secure another loan that would secure the G.E.R.S. and make it solvent again for a number of years," Mr. Bryan said during an interview with The Consortium at an event at Gertrude's Restaurant announcing then-Senator Tregenza Roach as his running mate.

Every year, the U.S. Virgin Islands receives from the U.S. Treasury between $220 million to $250 million in what is called rum cover-over funds, or taxes from rum made in the U.S. Virgin Islands and sold on the U.S. mainland. The funds are nearly fully obligated to the territory's debtors. Last year, the rum-cover funds received from the federal government jumped from $227 million to $251 million. Former Governor Kenneth Mapp said at the time that rum revenues to the general fund after paying covenants stood at $24 million, $20 million of which went to rum companies Cruzan Rum and Diageo for marketing purposes while $4 million was left for the local government. Mr. Bryan's argument was simply get more rum companies and in return more rum cover-over funds which could be obligated to G.E.R.S. and other areas where the government needs funding.

Mr. Bryan had spoken about the potential source of revenue as an area he would push hard to find success, noting the possibility of saving G.E.R.S. from a 2023 collapse.

But during an interview with The Consortium on May 23, Mr. Bryan said his administration was in talks with boutique rum companies, not the major operations that would result in enough revenue to make a difference.

"We're actually talking to some boutique rum companies; they don't produce a whole lot of revenue, but the revenues may be able to allow us to get hotel rooms, and that's all I'll say for now," Mr. Bryan said. "We have some conversations going but not big enough to have the kind of impact on what we're trying to do to get that funding source for G.E.R.S."

The major campaign promise, it appears, is not panning out the way Mr. Brayn had hoped. But the governor spoke of a backup: With the law allowing the sale of marijuana for medical use now on the books -- signed by Mr. Bryan himself -- the governor has been working on a plan to extract tax dollars from the industry, once setup, and use it to help G.E.R.S. Mr. Bryan said the territory would learn more about the plan in about a month from now.

"We got a big announcement coming in terms of funding. We're going to be looking at the cannabis bill, and we're going to be doing some of the things in terms of revenue generation that I talked about [on the campaign trail]. We've been having some good conversations with some attorneys on the legalities of some of the things that we want to do. So look for that within the next four to six weeks," the governor said two weeks ago.

During the 2018 gubernatorial campaign, Mr. Bryan had also spoken about the creation of a registry for marijuana products in the territory that would see the U.S. Virgin Islands receiving a percentage of the sale on all products registered here. It was not clear whether the big upcoming announcement was related to the registry.