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# Bryan Says Failed Debt Refinancing Plan Was One of Multiple Revenue-Generating Ideas, Points to Legalized Marijuana

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## Governor Albert Bryan

Governor Albert Bryan said Thursday that his debt refinancing plan which was rejected by the Senate Tuesday was one of a number of revenue-generating ideas his administration has in the works, with Mr. Bryan pointing to marijuana for recreational use as another item.

In a statement issued this afternoon, the governor said, “While it is unfortunate that the Legislature passed up this opportunity, this proposal was just one of several initiatives we are working on to address the GERS insolvency and fund other critical government projects. Of these initiatives, this proposal would have provided an immediate infusion of revenue to help stabilize the retirement

system while we continue pushing forward other initiatives."

Though Mr. Bryan contends the funds would be used to undergird G.E.R.S., he has also said a portion of the monies would be expended on other priorities, including infrastructure. Ultimately, [senators rejected the plan](#), with some sticking to their stance that the measure was not in the best interest of the territory; some contending that the refinancing, contrary to what was being said, was not certain to go toward saving the G.E.R.S., while others, including Finance Committee Chairman Kurt Vialet, contended that the deal — which would have dissolved the territory's \$150 million Debt Service Reserve Fund — would affect future generations as it would have deferred payments and place a heavy burden on Virgin Islanders ten years down the road.

"In the meantime, my Administration will redouble its efforts for the other revenue-generating measures we have proposed, such as passing the Cannabis Act, and the Administration also is working tirelessly to come up with other solutions, which include restructuring the benefits package for new and existing retirees," Mr. Bryan said.

He said Puerto Rico on Wednesday passed a similar measure for some of its bonds to be offered to the bond market for refinancing.

"The primary difference between the two debt financing proposals is that Puerto Rico will be refinancing unrated bonds, and the USVI is offering investment grade, which puts us in the position for a more favorable interest rate than the 3.75% they're aiming for," Mr. Bryan said. The Consortium was not privy to the details of the Puerto Rico plan, however the Bryan administration was seeking in its latest proposal no interest rate cap or timeframe for when the transaction could be completed, contending that such restrictions would place the government at a disadvantage during negotiations. Lawmakers, however, were not having it, viewing such concessions as a *carte blanche* to the executive branch that would be a frivolous dereliction of duty.

"Although some members of the community still express doubts about the debt refinancing proposal for the USVI, this type of debt refinancing transaction is a safe and trusted way that governments at all levels increasingly are realizing immediate savings by lowering their payments toward their debt obligations," the governor said. "Although the Legislature at this time does not have the desire to front-load the savings to infuse revenue into the GERS, it still makes sense to refinance the debt at these current low interest rates to achieve these savings."