

logo not found or type unknown

# Prompted by Comments From Governor Bryan, Powerful Senator Joe Manchin Offers Support to Have U.S. Treasury Back Territories' Bonds

Government / **Published On February 02, 2022 06:57 AM /**

Ernice Gilbert **February 02, 2022**

Image not found or type unknown



**Governor Albert Bryan on Tues. Feb. 1, 2022 joined other U.S. territory leaders during an annual hearing in Washington to examine the state of the U.S. territories. By. GOV'T HOUSE**

Senator Joe Manchin of West Virginia on Tuesday told Governor Albert Bryan during a hearing in Washington on matters relating to U.S. territories, that he would help with Mr. Bryan's request that U.S. territories' bond offerings be guaranteed by the backing of the federal government.

Mr. Bryan's comments, made during a hearing in the Senate Committee on Energy and Natural Resources, chaired by Mr. Manchin, prompted a response from the powerful senator who offered

his support on the matter.

In a release issued Tuesday night, Gov't House said a guarantee of backing by the U.S. Treasury would greatly assist the territories to realize significant savings when negotiating new bonds or refinancing current bonds at more favorable interest rates.

Following comments by Senator Mazie Hirono (D.,H.I.), who said she would look into how caps placed on territories on a number of federal programs could be lifted, Governor Bryan asked to chime in, and said, "All of us go through precarious financial situations. If this body would allow the Treasury to give us an option to back our bonds with full faith and credit just for the small territories, that's an option that would have to be approved by Treasury, that move alone would just reduce the amount of debt level. We can go to the bond market, we could refinance that debt at AAA and probably save, for us, at least 10 percent in annual payments from our budget and redirect that towards doing things for our people."

Mr. Manchin noted that the territories' bonds are based on each territory's own liquidity and not the full faith of the federal government and the U.S. Treasury.

"That's something," he said. "I would be absolutely happy to look into that. That makes a lot of sense. We want you all to succeed. We want to help you. We really do."

Mr. Manchin along with colleagues of the committee agreed to send a bipartisan letter to the U.S. Treasury seeking an understanding on why it has not "backed our territories with the full faith of the U.S. Treasury."

According to Government House, Governor Bryan during his testimony at the hearing urged committee-members to consider allowing a waiver on the local match requirements that add constraints to the Territory's ability to access federal funding and assistance that has been appropriated to the USVI by Congress.

He also said federal tax policy has imposed significant constraints on the territory's ability to attract private investment, because the tax code treats U.S. investments in its own territories as foreign investments, making them subject to taxes designed to discourage American companies from stashing profits in foreign tax havens, such as the Cayman Islands.

"The U.S. Virgin Islands is neither foreign nor a tax haven. It is a U.S. territory whose tax laws are promulgated by Congress," the governor stated, according to Gov't House. "Treating us like a foreign country makes no sense and is contrary to decades of Congressional policies intended to encourage U.S. investment in the territories. I respectfully ask for your support in reversing this inequitable treatment."

Mr. Bryan also told the Senate Committee that the closure of the Limetree Bay refinery cost the USVI 800 jobs and \$633 million in reduced GDP.

"We all share the EPA's concern with safety, but it is not clear that the EPA understands the unique importance of the refinery to the economic, financial, and social well-being of the Virgin Islands community," he testified. "Environmental justice is a hollow victory without economic opportunity. I therefore ask for Congress's assistance in working with the Territory and EPA to ensure that the refinery is permitted to responsibly and safely reopen as soon as possible."

According to Gov't House, Mr. Bryan has meetings scheduled today with Housing and Urban Development Secretary Adrienne Todman; House Foreign Affairs Committee Chairman Gregory Meeks of New York; Senator Mike Crapo of Idaho; Rep. Bryan Steil of Wisconsin and a ranking

member of the Select Committee on Economic Disparity and Fairness in Growth; and Senator Kirsten Gillibrand of New York.

© Viconsortium 2025