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Government is Cash-Strapped, Bryan Says. 'We've Been Diverting a Considerable Amount of Money to WAPA'

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The government of the Virgin Islands is facing some cash constraints going into Governor Albert Bryan's second term in office, the governor has said, pointing to expenses related to WAPA, which the government has been buttressing with millions of dollars on a monthly basis, and paid obligations tied to tax refunds, retroactive wage payments and other expenses.

The administration paid out a record \$288 million in tax refunds in Mr. Bryan's first term, which [for the first time in decades brought the government up to date on refunds](#). The administration [also made retroactive payments](#) to former and current government employees totaling \$40 million. [Another \\$40 million in payments](#) were made to government employees last year as part of a repayment of the 8 percent pay cut approved by the V.I. Legislature during former Governor John

P. de Jongh's administration.

"Right now, yeah, we're cash strapped because we've been diverting a considerable amount of money to pay everybody's light bill by funding WAPA," Mr. Bryan told the Consortium late December when asked how much cash the government had on hand, and about rumors in the community that the government was running low on funding.

On WAPA, he said the administration's success in getting the authority's propane supplier, VITOL, back at the table saved WAPA \$3 million a week. "We're not out of this yet. Now we have to negotiate a final deal with them and we have to get those Wartsilas up and energized," he said, speaking of units running propane that would save the authority money.

During its final meeting of 2022, the Board of Directors of the V.I. Public Finance Authority approved an engagement for Squire Patton Boggs to assist WAPA with negotiating the full resumption of propane delivery from VITOL.

Squire Patton provides the government with lobbying services that span legal, government relations and other professional services.

The propane supplier had suspended fuel deliveries to WAPA over a \$150 million debt. And although both parties have come to a temporary agreement so that the territory would not be without electricity, they still have to deal with the debt amount which WAPA continues to contest.

The governor said he will solve the WAPA problem once and for all during his second term in office. "WAPA owes me some stuff in terms of how we get this done. I met with the U.S. Dept. of Housing and Urban Development, I've met with the White House about this. We have the resources already to do it, we just got to pull the trigger and get it done," he said.

Mr. Bryan is also mindful of a pending U.S. recession, which most economists still believe will occur in 2023 [according to a survey by the Wall Street Journal](#).

"I'm nervous going into [2023]," he admitted. "The American economy is already slowing down and the feds raised the interest rate again and it's going to have an impact on us. There's going to be an impact," he warned.