

The Virgin Islands Consortium

'I Can't See That Happening:' Plaskett Skeptical About WAPA's Pursuit of Federal Funds for Reimbursement of Vitol Debt

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During a press conference on Friday dubbed “Pen & Pad”, USVI's Delegate to Congress Stacey Plaskett spoke to several local journalists about a range of topics, answering several questions along the way.

One of those questions was about her thoughts on the recent [extension of the deadline](#) for payment of the \$100 million the Water and Power Authority still owes energy trader Vitol as part of a negotiated settlement.

Ms. Plaskett first criticized the original deal, made back in 2013, between the two companies. “As an attorney, I find the agreement that was created to be just one that’s very, very concerning.” Ms. Plaskett dubbed the interest rate contained in that original agreement as usurious, and noted that the change orders attached to the contract resulted in a final bill that was [more than double](#) the projected initial cost of the project.

Turning to the settlement that was [negotiated](#) to put an end to the wrangling between WAPA and Vitol over how much is owed, Ms. Plaskett admitted that she had not been involved at any stage in the negotiations. However, she said that she did not believe that there was enough of a compromise made by Vitol in the matter. “If we’re negotiating, we’re both supposed to feel some pain. And I don’t see Vitol feeling any pain in the negotiation of how we’re going to pay this off, “ she opined.

When asked if she understood the reason why WAPA’s executive director asked the board to approve pushing back the payment date from August to December, she admitted that again, while she was not privy to the discussions surrounding the negotiation, she was skeptical.

When Governor Albert Bryan Jr. asked the 35th Legislature to approve the line of credit which would underwrite the \$145 million payment to Vitol, lawmakers were told that the money was expected to come back to the territory via grant funding from Housing and Urban Development, namely the Community Development Block Grant that has been supporting, in part, the territory’s post-hurricane recovery.

“I do not see us utilizing CDBG funding for this,” said Ms. Plaskett. “I don’t know how they’re going to get sign off on that. I know they have not as yet.”

Continuing her train of thought, Delegate Plaskett expressed doubt that “the secretary of HUD will allow the use of disaster funding to pay off a bad debt.” Again reiterating that she has no insight into the discussions that have taken place thus far, Ms. Plaskett left room for the possibility that Governor Bryan had information on the matter that she was not privy to. “He may know something I don’t know. But in my conversation with the powers that be at HUD, I can’t see that happening.”