



For Immediate Release
Monday, June 16, 2014

Facts placed on record about the UVI RT Park amendment at Friday's hearing

CHARLOTTE AMALIE, ST. THOMAS - Members of the 30th Legislature attempted to debunk many of the rumors being circulated about the University of the Virgin Islands Research & Technology Park during Friday's Committee of the Whole meeting on the island of St. Croix. Several senators also raised concerns about the series of political attack ads and the propaganda campaign launched for reasons which remain unclear.

"This is the question we now must ask," Senate President Malone said. "Who stands to gain that they are willing to spend so much money and time to launch these attacks?"

Senate President Shawn-Michael Malone placed all testifiers under oath during the more than eight hour long hearing. He said the information presented Friday served to reinforce his opinion that senators acted appropriately in regard to the Tech Park issue, however further reform was required in regard to the laws governing both the RT Park and Economic Development Authority programs.

"We need a complete overhaul of our tax system," the Senate President said. "In this case the Senate had to act quickly to keep the RT Park program viable, but it doesn't mean that all of our issues are resolved."

Senator-at-Large Craig Barshinger agreed that further review was required, but that the information imparted during the hearing demonstrated that Senators had done what was necessary to "fix the horrible problem of pulling out the rug from under these companies."

Senate President Malone said that certain facts discussed at Friday's meeting warranted repeating in order to ensure that accurate information was made available to the public, particularly as it relates to an amendment unanimously supported by Senators on April 24, 2014 and subsequently vetoed by Governor John P. de Jongh.

* The amendment did not grant new tax breaks to any company. The UVI RT Park companies have had tax benefits for years - benefits that were granted by the UVI RT Park Board, whose members are all directly or indirectly appointed by the Governor. UVI RT Park Executive Director David Zumwalt testified about the board's composition and due diligence during the hearing. Further, one of the Internet Service Providers that the
More. . .

Press Release for Monday, June 16, 2014

140616-STX

Facts placed on record about the UVI RT Park amendment at Friday's hearing
Page 2
June 16, 2014

Governor now says is not eligible for tax incentives - Choice Communications - had previously been in negotiation for benefits under EDA, but was referred to the Tech Park.

* The amendment lost the territory exactly zero tax dollars as it clarified laws about companies that already have legal contracts for benefits and senators acted to save the territory the expense of multiple lawsuits. Senator Malone said Friday that he wanted to prevent local tax dollars from being used to fight in court when the Virgin Islands had so many other pressing obligations to teachers, retirees and others.

Senator Neireda Rivera O'Reilly reminded officials that the Governor had recently insisted that any litigation with HOVENSA would be too costly.

"Now we want to take on not one, but three lawsuits?" she asked.

* There is nothing in the amendment that moves anything from St. Croix to St. Thomas. Senator Malone said that the bill can be read online and that the public can see that this claim is patently false.

"In fact, we took \$10 million from a St. Thomas project in order to fund the construction of the Tech Park on St. Croix," the Senate President said.

Several St. Croix district senators were particularly outraged that the public was being misinformed via the recent propaganda campaign.

Senator Kenneth Gittens said he did not appreciate the attacks and that he did his homework before voting on every issue.

"I am not about these games - I am about jobs for St. Croix," he said. "When I vote, I vote my conscience."

Senator Samuel Sanes said that as senators voted unanimously on this issue they could not be singled out.

"When you attack one member of the body, you attack us all," Sanes said.

* The Administration's actions, particularly the Governor's veto of the recent clarification amendment and the contentious aftermath, are hurting the territory's global reputation and have already lost us investors. UVI RT PARK officials testified that three companies recently decided not to do business in the Virgin Islands.

This was among the issues of concern for Senator Clifford Graham, Chairman of the 30th Legislature's Committee on Finance.

Press Release for Monday, June 16, 2014

140616-STX

Facts placed on record about the UVI RT Park amendment at Friday's hearing
Page 3
June 16, 2014

"We will lose people watching from the outside," Graham said.

*The amendment approved by senators was nearly identical to the provisions contained in a Memorandum of Understanding between the EDA and the RT Park that was approved and signed off on by Governor de Jongh and EDA Director Percival Clouden, who confirmed during the hearing that he had been one of the signatories. The Administration has not indicated what caused the dramatic shift in policy.

* Failure to protect the integrity of the RT Park program will cost jobs and hurt the local economy both long and short term. Innovative Communications, one of the companies being targeted by the Administration, is currently the territory's very largest private employer.

* The attack ads and propaganda have not intimidated senators, however they have served to raise the question of exactly who stands to gain by discrediting the legislature and hurting businesses that have complied with the provisions of their contracts with the RT Park.

"I am a fourth generation public servant and will not allow anyone to sacrifice my reputation to further their own political ambitions and self-interest," the Senate President said. "Where are the ads about EDA granting tax breaks to the monopoly at the concrete plant?"

EDA Director Clouden also testified that the agency had granted benefits to convicted sex offender Jeffrey Epstein, whose company had been turned away from the Tech Park program.

"We need to start asking the right questions," Senator Malone said. "We have now had a hearing which clearly demonstrated why, in this case, swift action was necessary. The only real mystery remaining is - exactly who stands to gain and by which organizations and who are funding these attacks? The money and effort spent defending the Governor's veto is truly without precedent and highly unfortunate given the many actual serious issues we are contending with as a community. There are some very unholy alliances at work here and, while some of their motives are quite transparent, others are much less so."

Senators requested numerous documents during the hearing to include the Governor's Action Plan for the Virgin Islands Next Generation Network (viNGN) and the Public Finance Authority's contract with the Winston & Straum law firm. The viNGN leadership was asked to be present at Friday's hearing, but stated that they were unable to attend.