



STATE *of the* TERRITORY
ADDRESS

GOVERNOR JOHN PERCY de JONGH, JR.

JANUARY 30, 2012

EARLE B. OTTLEY LEGISLATIVE CHAMBERS
ST. THOMAS, UNITED STATES VIRGIN ISLANDS

2012 STATE *of the* TERRITORY ADDRESS

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Members of the clergy, Senate President Russell, Honorable Senators, Lieutenant Governor Francis, Delegate Christensen, members of the Judiciary, members of my Cabinet and other Agency heads, Mrs. Francis, my wife Cecile, other distinguished guests, ladies and gentlemen, my fellow Virgin Islanders.

As I deliver this State of the Territory Address, we find ourselves in the most difficult period our generation will face. We face a moment in time that requires nothing less than for each and every one of us to acknowledge the change thrust upon us and to rise up and work together if we are to ensure our survival as a government and as a community.

Before I turn to the agenda that lies ahead for us here at home, I would like to recognize and offer our collective thanks to those Virgin Islanders who are serving across our nation and overseas in our armed forces, and dedicating their lives to the defense of our nation. We are fortunate this past year – the year our nation remembered and acknowledged the tenth anniversary of the September 11th attacks that changed us all in so many ways -- all of our service personnel have remained safe. Each day we are reminded of our appreciation of those that have chosen to serve and the sacrifice that their families bear.

One year ago -- almost to the day -- I delivered my fifth State of the Territory Address, I emphasized then that our territory was at a Tipping Point. That we were at a critical juncture, wherein the choices that lay before us -- and the actions we chose to take -- would directly impact our future. I stressed then that it was still within our grasp to decide the type of future, the kind of community we wanted to build.

This state of affairs -- our Tipping Point -- was a result in part of actions we had taken as well as actions taken by others who came before us, but it was predominantly driven by global and national forces that had undermined our economy and ripped apart our finances.

The sharp decline in our tax revenues that we have experienced is a simple and straightforward measure of an economy that fell off a steep cliff, as tourism, manufacturing and investment declined, and world markets collapsed.

We acted aggressively when we borrowed to maintain public employment and government spending during the early years of the recession. Had we not, the recession would have devastated what was left of our business community and compromised our future. The social safety net of our community would have become unglued, placing untold stress on our families and communities.

We hoped that the nation's economic recovery, and our recovery, would have come more quickly, but it has not. And our ability to fully insulate our people from its effects has run its course.

We began 2011 confronted by the strong likelihood that public sector employee dismissals -- like those that had already been experienced by our private sector workers -- would be needed as we adjusted governmental expenses to the reality of our revenues. In the hope that we could avoid this we charted a path of shared sacrifice -- of across-the-board salary reductions -- as we sought to avoid dismissals and ensure that government services continued and economic activity might be maintained throughout our community.

I met -- and you also met -- with union leaders who requested we take this path, only to have them then sue us for having honored their request. Although this litigation is still undecided, we know that we acted both on the urgings of the union officials and as necessitated by our financial reality. We remain certain that we acted then, and must continue to act now, in a manner that is best for the greatest number in our community.

We ended 2011 without resolution to our financial problems, and last month we began the process of employee dismissals and reductions in some services. This was not something I wanted to do, but it was caused by your inaction last year and your continuing unwillingness to deal with the problems we face.

And now, in the first month of a new year that we all wished would mark a time of recovery, we are confronted by a new tsunami, the announcement that the company that has been the largest private employer in the territory ever since its plant construction in the 1960's is closing its oil refinery and terminating the employment of its employees and its subcontractors.

This is a catastrophic decision that will effect workers and their families, support to community organizations, the sales of local businesses and all they support; quite frankly, our entire territory. The HOVENSA announcement has caused a universal shudder of fear and anxiety to pass through our islands, not unlike the emotions that we all experience with the coming of a hurricane.

But, unlike a hurricane, we had no warning this was coming; no time to prepare, to adjust to the possibility that we may be hit. Indeed, this was far more like what one would imagine a tsunami to be -- there was little warning and the impact was immediate -- there was no time to prepare and its effects are being felt across our Territory, but most especially on the island of St. Croix.

And for this lack of fair warning -- I am upset and I am angry.

And now, twelve days later, we are just beginning to adjust to the reality of the impact, that the economic life of the territory as we once knew it, with the anchor of HOVENSA, our largest employer and business generator, our sole fuel oil supplier, and a prime community giver, will never be quite the same.

The news of HOVENSA's closing is causing many of us to fear for our future. We feel uncertain of the next step, uneasy about the payment of the next bill, worried about how we will meet our children's needs, and worried about our future. And while this impact will be felt more immediately on St. Croix, it will reverberate throughout the entire territory because we are a community connected each and every day by links of family, business and politics. If you did not believe so before -- accept it now.

So, as we embrace this new reality, as we work to stabilize our economy and achieve diversification and growth going forward, we have been rocked by these recent announcements, we have been tipped to one side.

The State of our Territory tonight can best be described as troubled. These are, indeed, the times that try men's souls.

It is time that we accept that what 'was' cannot be recaptured. The pace of our decision-making has to be refocused. It has to be ratcheted-up. This is a time when each of us who aspire to be leaders of this community must rise to the challenge, to pull together in order to bring us from this dark moment to a brighter day.

For there is one truth that I believe is a Virgin Islands truth when it comes to our souls, when it comes to our behavior, when it comes to our politics as well as our economy, and that is that we have but one choice: To do our best, to seek and speak the truth and to affirm and reaffirm our faith in an Almighty God who tests us but will never abandon us, who never gives us more than we can bear.

I am not going to stand here tonight and go over each and every action that we have taken this past year to make things better. We have made great progress in many areas that will serve us well going forward. We have 100,000 more airline passengers flying into our territory and three new air carriers. We have rationalized and streamlined licensing and permitting. Our outreach programs are reaching displaced workers, and citizens will no longer have to go office to office to determine their eligibility for social programs. We are investing more than \$100 million to assure all have access to high-speed Internet. And for the first time in two decades, we will be building new senior housing on St. Thomas.

However, tonight I must speak to you in this chamber, and on this occasion to the people who put us in public office, in our positions of public trust, on where we are as a community not just as a result of the shock of the announcement of the closure of HOVENSA, but as a result of the actions -- and inaction -- of the 29th Legislature over the past year, your inaction in the Special Session I called a month ago, and your votes of last Tuesday.

And I think it is time to speak very directly about the political reality of this moment. This Legislature is dominated by those who say only what they cannot support. Rarely do they come up with any practical suggestions -- real solutions -- that they will support -- and that match the challenges we face.

I think by now it is clear to all Virgin Islands voters that there is a block in this Legislature whose politics -- be it personal, partisan, or simply their individual calculations as to how best to be re-elected -- requires them to oppose each and every action I propose, be they large or small, whether the approval of a new rum distillery, the merger of government agencies to reduce long-term costs or a vote to raise the revenues necessary to support a borrowing so that we could pay our bills and maintain government services and personnel.

This group is quick to say what they will not support, but they are absent when it comes time to say what they are prepared to do -- to close our budget gap, to find the cash to carry us through these difficult times until our revenues can match expenditures.

And let us not forget what caused our budget crisis. Our budget shortfalls were caused by forces well outside our control that fell upon us as they did on the entire nation beginning back in 2008. We determined then that to send public employees home when so many in the private sector were cutting back would only accelerate the collapse of our local economy. We borrowed to sustain economic activity, we went after every federal recovery dollar we could, we pushed public works projects; all as much and as long as we could.

Now there is one thing that can be said for the group that always says 'no.' They are consistent. However, it is harder to understand what was driving those of you who, last week, voted for a borrowing but then turned around and voted against the revenues that would support that borrowing. Ten of you voted for the borrowing. But only seven of you took the hard step and voted to provide the revenues to support the borrowing. To you, those seven, I commend you. I know, and you should take comfort in knowing that the people you represent also know, that what you did was what they elected you to do: to act on their behalf even when it is difficult and unpopular.

For those of you who did not agree, I can only ask again, what is your alternative?

And surely it is not as was suggested to threaten the integrity of our retirement system, by seeking to have the Government Employees Retirement System commit \$120 million -- over 10% of its assets -- to a loan that would not be collateralized by anything other than the well-being of the workers from whom it collects contributions.

And one more word about the GERS. The trustees of the GERS said before last Tuesday's vote that they were not prepared to lend money for operating expenses. That was the correct and wise answer. Theirs is a fiduciary duty. They have no right, nor reason to provide political escape hatches to politicians who do not want to make tough choices. But by now these trustees know more clearly than ever that if this Legislature is unable or unwilling to vote to handle an immediate crisis, it surely is not going to deal with the pension funding crisis that we know looms a mere eight, nine or ten years in the future.

And so I call on the trustees to stop waiting on the Legislature to act. You must act on your own to save the pensions of the thousands of retirees and those who will be retiring in coming years. The steps you must take are difficult, I know. But they are essential and delay will only make things worse. You, as trustees, must exercise the full authority granted to you by law to increase your revenues and decrease your liabilities, to fulfill your fiduciary obligation to future retirees.

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So, where are we now? Had we not had the announcement from HOVENSA that two thousand people -- their employees plus the eight or nine hundred of their subcontractors employees -- were to be put out of work. Had we not learned of this drastic action the night before it was announced publicly, and if we had not already come to appreciate how these terminations will affect so many other businesses of all kinds on St Croix, we would still know that our budget crisis was dire. We knew that actions we thought were to be taken last week might not prevent all cutbacks, all future dismissals, but we knew we had to act and we knew that time was not on our side.

We do not yet know the full impact of HOVENSA's actions. We do not yet know the full legal implications of what they have said they are going to do. We do not even know whether they can do what they say they are going to do.

But we do know that the taxes paid by HOVENSA and its subcontractors total more than \$50 million. And we know that the payroll of HOVENSA and its subcontractors causes over \$30 million of payroll withholding taxes to be paid into the treasury of the territory. And we know that the past income taxes we collected when they were profitable will not be collected if they are not operating and operating profitably. And we do know that the gross receipts taxes paid by the businesses that serve HOVENSA and its workforce will go down.

We know all of this. We know that the gap between our revenues and our expenditures is widening, and we have a duty to make every effort to meet these challenges head on. And that duty is ours and is a duty I shall not shirk.

I have already directed each of our commissioners and directors to develop and to implement plans that match core services with available resources. Limited resources require us to terminate areas of service that are no longer critical to our mission -- that we do more with less and for our departments and agencies to find ways to save and accomplish their goals and mission with fewer resources, and that each employee considers ways that their work can be done more effectively and more efficiently.

Now, we will have to take ever more drastic steps to bring our revenues and expenditures into balance. And we will have to take those steps to reduce spending that I can order as Governor, as it has become clear that the Legislature has made its decision and new revenues will not be part of their solution.

Accordingly, I shall act as I must, because all know that it is unlawful to issue checks that cannot be covered, and we will not break the law. On top of the 8% salary reduction and the dismissals which have already taken place, we must turn to the narrower range of options available to us, including: more dismissals, shorter work weeks, additional school closures and classroom consolidations, shorter hours at senior centers, public health clinics and recreational facilities. I have to consider all of these options until we are out of this crisis and our revenues and expenditures are again in balance.

To those in the private sector who lobbied so persistently against the increase in gross receipts tax, to those who say "well, it is about time, there are far too many government employees and they are far too inefficient," let me set the record straight: the number of local government workers paid out of our General Fund has declined steadily since I became Governor, before any of the recent dismissals are factored in.

The General Fund employees of this government are your patrons, they are your customers, they buy in your stores, they pay rent to you as landlords, they eat in your restaurants. Their ranks have already been reduced with hundreds of dismissals, they have been called on to do more for less and now there will be those who will be asked to live on even less and others who will be sent home. All of this because this Legislature would not agree to spread that burden more widely across this community in what I believe would have been more fair and just outcome.

We also know that we must begin to acknowledge and address the real costs of what we owe and what we want to do. This is true about GERS, that is unfunded by over one billion dollars. This is true about our Medicaid program, where we risk losing more than \$300 million if we fail to set aside our local match. This is true about the Waste Management Authority, where proposed plans would require tens of millions of dollars beyond what we currently spend. And this is true about the costs of uncompensated care at our hospitals.

And as I once again direct my commissioners to squeeze more from their budget, it becomes harder to explain to them and to the people why you have not done likewise. The Legislature must realize that the people are not fooled -- you have not yet even taken the 8% cut in costs even though you took the cut in pay. But the cut in pay was supposed to be a reduction of your overall cost to the taxpayers. It is time for you to make these cuts. The people of this territory demand that we all share and share fairly in the burdens that have been thrust upon us.

And we do not know how much worse the situation will be because of HOVENSA. But we know it will be worse, and we know that we cannot wait and see. We must take steps now in what we can reasonably predict will be a dramatic further reduction in our revenues. But the grimness of these days does not mean that we are inactive and certainly not that we are inactive in dealing with HOVENSA. The duty to deal with HOVENSA, with Hess, with PDVSA, falls to me, and that is a duty I shall fulfill. We are meeting with their officers at the appropriate decision-making levels, we are meeting with federal officials, we are directing legal and professional resources to get answers to all the questions we need answered, all the facts we need gathered, before we can develop a clear strategy for moving forward that builds on the foundation that we have been building, a foundation built on the strengths of our people, one that supports a new and different economy that will serve us all and benefit us all.

Even before I became Governor, I have been committed to the building of a vibrant St. Croix. Nothing that has just happened shakes my commitment to the economy and to the people of St. Croix. The Senate President and I have already agreed to focus our initial work on five areas: possible alternative uses of the HOVENSA facility, legal issues surrounding the closure, labor and workforce issues, leveraging of federal and available resources, and economic sustainability.

There is much that can be done now and by all in the community.

And as we work with HOVENSA, and as we work to help those who have been affected by the closure announcement -- be they the workers and subcontractors themselves, or the many, many businesses that depend on them as customers and clients -- we must ask what we can all do to stimulate economic activity and the health of our community. And I would like to suggest something that each and every one of us should do right now, something that has long been a requirement of Economic Development Commission beneficiaries, but that now should become the policy and practice of us all, and that is to support Virgin Islands businesses first.

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It has long been my primary focus to promote Virgin Islands entrepreneurship. That is why we put in place a bonding program that underwrites the work of local contractors. That is why we have been fostering participation in the Disadvantaged Business Enterprises program which leverages federal funds. That is why we applied and were approved for a U.S. Department of Treasury collateral program to underwrite loans to small businesses. And recognizing that we need to develop a sector of our economy that exports products, we applied for and obtained export grant funding to assist in developing this niche.

And let us remember that it is from business that government gets its revenues. Government can help and must help the private sector. My Administration will continue to grow existing businesses and help new businesses. Government can, and should, join with business in public-private partnerships.

I will soon be sending down for your consideration just such a partnership for the development of a sports complex in Frederiksted. This project will include our long-standing commitment to rebuild the Paul E. Joseph baseball stadium along with new facilities that will support international competitive events in swimming, volleyball and tennis. With \$25 million in new private funding, this project will mark a new opportunity to build a recognized niche in sports tourism, with the commitment of the sponsoring sports organizations for dozens of events at the new facilities. It will be a step on the path of recovery.

And everyone who is listening to me tonight or who reads this later needs to know that we will come through this economic crisis and move forward to the future that we all wish for ourselves, our families, and most keenly for our children.

And there is one thing we must do now and every day and that is to continue each day to prepare our children for that better day. And let me tell you that no economic crisis, no matter how severe, is going to stop me from doing all within the power of my office to improve the education of our children, the preparation of our children.

Everything we have done in early education has been built upon the understanding that what we were doing in the past was not enough, that we had not been acting upon the sure knowledge that children start to learn the moment they are born. They don't just start to learn in first grade.

Everything we have done with respect to early childhood development and early education has been in service of that understanding including the Quality Rating Improvement System for daycare centers set to launch this spring and the early learning guidelines we have provided to parents and childcare providers. Everything we do in our schools must be geared towards making sure that our dropout rates continue to decline and that our children come out of our schools ready to handle the challenges of this new interconnected world.

The best opportunity we shall have for many years to make this happen is presented to us right now. Right now, even in a time of scarce resources and great challenges, we must show everyone that we know what matters most. For there can never be a better time to act on behalf of our children than right now.

We know that great teachers matter. We know that we must support great teachers better than we have done in the past. A great teacher may have more children in his or her class for a while because of the current crisis, but they will do what great teachers do -- help the promise of our children blossom and grow.

And we have two great teachers here tonight. I would like to recognize and extend my sincere appreciation to a great science teacher Nneka Howard-Sibilly, our St. Thomas-St. John Teacher of the Year and our State Teacher of the Year from Charlotte Amalie High School, and a great reading teacher Margaret Burnett, the St. Croix Teacher of the Year, from Elena Christian Junior High School.

Please join me in thanking them on behalf of all Virgin Islanders. We are grateful for your work, your dedication, every day, with our children.

Thank you.

I would also like to take a moment to recognize and salute a number of young Virgin Islanders who have gone off to represent us and who have done so with distinction - who have brought honor to themselves and pride for us. I speak of young Virgin Islanders who have traveled off island to compete as Virgin Islands athletes.

In sailing, a young Virgin Islander has qualified himself and the Virgin Islands to race in the London Olympics, young boxers went off to Las Vegas and Mexico to win fights and respect, our youth soccer teams have come home as champions and so have our baseball players. To all these and the many other young Virgin Islanders who train hard and compete well, I say - well done.

I would like to take a moment to recognize and acknowledge the 50th anniversary of the University of the Virgin Islands, its Golden Jubilee celebrations. As we embrace the fine work of the staff, administration and trustees of this institution, we also take note of the vision of Governor Ralph M. Paiewonsky and the approval given by the Fourth Legislature in 1962 to move forward with the then College of the Virgin Islands. And as we continue our forward movement to even better days under the leadership of Dr. David Hall, we should also be mindful of the contributions of the prior presidents of the institution -- including Drs. Lawrence Wanlass, Arthur Richards, Orville Kean and Laverne Ragster - who helped build the foundation that promotes the intellectual growth and academic standards of our community.

But for our students to go to our university or to any university, we know we must prepare them better. The school day must be longer and the school year longer as well. And we know that our great teachers who reach into their own pockets to buy what their classrooms need, who stay after school, who are accessible on weekends, are working that hard already. The contracts for our teachers, principals and administrators are all up for renegotiation and I assure you that the language of our new contracts shall and will contain the provisions needed to make our promise to our children a reality, our promise of support to our teachers a reality.

The national AFT has worked across the country to reach agreement on contracts that do what I insist ours must do. I am confident that our AFT locals will work to our common goal. Our teachers contract will be renegotiated with one and only one goal and one purpose: making sure that our schools, our teachers are all getting better measurable results that show us all that the future of our children, and indeed the future of our Virgin Islands, is assured.

Our task is to work for that future. Our task now is to build a new and sustainable economy that will both employ our people and generate the revenues to allow us to pay for the government we want and need. As we move forward, we have to have both the Economic Development Authority and the Research and Technology Park play a greater role in our economic development efforts. We must refocus our efforts on job development that will be sustainable and that will pay a living wage for those working at companies that receive benefits, if we are to build a strong economic foundation for our workers, their families and their communities.

To this end, I have directed the Economic Development Commission to recalibrate its programs to assure that the benefits of the EDC program are real and verifiable, so that we no longer give benefits to those companies whose presence does not benefit locals seeking jobs, or that allow some to compete unfairly with others in our economy, or that impose greater burdens on our infrastructure than the economic benefits they provide to the territory.

No business has a right to do business here without paying taxes. We have the right to grant that privilege to those who bring us what we need for our economic advancement along with their gain, not the other way around.

Our economy will not thrive unless people feel they are safe in their homes and safe in their communities. This sense of security is an essential ingredient to the fabric of our community and one that requires a high degree of integrity by those who enforce the law, and requires as well that the residents of the community to be involved and engaged. The crime fighting strategies that we have worked so hard to put in place are taking hold; illustrated by a drop of almost 30% in our homicide rate and substantial reductions in other major crimes last year.

But fewer resources will require us to be more creative in the use of our uniformed officers and technology: we have reassigned police officers to provide more officers on patrol rather than behind desks and told many on extended leave to either come back to work or stay home permanently; we are leveraging federal programs to provide technology such as our new gunshot detection system, and local resources to expand our surveillance capabilities to fill the gaps and we are executing an anti-gang strategy that includes identification, prevention, intervention, and effective prosecution. And, we have over the last year, quite frankly years, closed a significant number of cold cases by drawing on the experience and expertise of retired officers who have been motivated to become re-engaged at a time when their talents are most needed.

It is no secret in our community that the intolerable level of murders is in large part acts of retaliation and revenge by criminal elements fighting among themselves over turf and drugs. We are connecting the dots in a systematic way to identify and track the relationships between these criminals. These are problems that start and develop early in our neighborhoods, are taken into our schools and ultimately finished in our prisons. The demographics of this group include too many of our young people, especially young men, who have been recycled through our system, always fighting the same individuals, until they end up either in jail or dead. We are actively working to disrupt and dismantle their criminal enterprises.

In the next year, we will have more joint gun interdiction operations with our federal law enforcement partners, designed to keep our borders safe and our streets safer. We will also reconfigure our police station and substation workflow to ensure that more officers are on the road patrolling than manning a desk during the evening and early morning hours. The way we think of and use these stations has to change to be more engaged than passive. All of this is being done as the department's officers and administrative staff implement the mandates of the consent decree that has strained the department's resources.

And we cannot talk about economic development without also talking about the challenges facing the Virgin Islands Water and Power Authority and the crippling high cost of electricity. Our economy, like all modern economies, is built on a need for reliable and affordable electricity, reliable and safe water, and high quality telecommunications. WAPA is fundamentally responsible for the first two and deeply involved in the third. And it is a sad reality that we lack reliable and affordable electricity. St. Thomas has also recently learned too well the true cost of an unreliable water supply.

We all know that too many have struggled to bear the costs of electricity and water, too many businesses have been crippled by these costs. And we also know that the way forward must be one that is illuminated by true facts, not simplicities, not self-interest, not idealistic wishes. We all know that the future cannot be a continuation of the same problems that we have continued to see, month after month, year after year.

To those who think we can immediately transition from where we are to some magical new world of solar or wind or tidal-powered electrical generation on a scale that will support our economy, I say that that is an illusion. Moving away from the use of imported oil is our goal, but it is not a goal we can achieve tomorrow or soon enough to address our current issues. And the challenges that we face are not easy to overcome, as even a more diversified power mix bringing in distributed solar and wind can have the adverse effect of increasing the cost of power from WAPA, as its high fixed costs are distributed over a smaller base.

We are not on a national grid, we are not even on a territorial grid as the water between St. Thomas and St. Croix is so deep that no electric cable in the world has been laid at that depth. Yes, our costs are high, but they are high throughout the Caribbean as the lack of diversification and oil prices are a challenge to all. While we all cringe at the LEAC charge that we pay each month, the simple truth is that the LEAC is simply the price we all pay for a utility that depends on imported oil.

And yes, we can do better and produce cheaper power with improved generation and with other improvements, and we need to focus on those and not on unrealistic alternatives. And, yes, there are those who say we can have electricity at half the current price if we fire up the coal plant on the St Croix Renaissance site. And I believe we need to immediately explore whether or not the equipment and capacity to produce cheaper electricity is, as some suggest, to be found on the HOVENSA site.

And I say to all of you, let us get to the facts.

I want to know from unimpeachable, competent professionals whether we can scrub the stacks of a coal plant and still get our electricity cost cut in half. I want to know that we are not wasting limited managerial and technical resources chasing pipedreams, but that we are developing a plan that will get our electricity costs down in the very near term as we transition to a longer term future of renewable energy sources. And I am not the only one who wants to know: Every ratepayer in this community wants to know.

Without reliable electricity and water there will be no new businesses. Without reliable electricity and water we will have no economic development, fewer jobs, and lower revenues, all contributing to a downward spiral.

And so tonight I am letting you in the Legislature and the people of the Virgin Islands know that I am calling on the Governing Board of the Virgin Islands Water and Power Authority to deliver to me a revised and realistic Action Plan, including such infrastructure and management changes and improvements as are found to be needed, to get us moving on a path that will bring the cost of electricity down substantially before I leave this office.

I, for one, want this Action Plan to fully spell out the pros and cons, the costs and benefits, of whether or not it makes sense at this point to retrofit some or all of the existing generators, whether it makes better sense to skip to new, more modern, more efficient generators, and also to inform us all if we should be moving to natural gas as the fuel for our generators on any or all of our islands. And these improvements will come at a cost, a cost we will all have to bear. All of the questions, mine and others, need to be answered to our satisfaction if we are to develop the best possible strategy for achieving our energy goals. But there must be a better path -- and that is what we seek. In the simplest of words: enough is enough, there must be and there will be improvement.

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The decision by HOVENSA to close the refinery that for a half-century has been a mainstay of our economy has shaken our community. It has shaken the lives of those who work there, and all of those and their families for whom HOVENSA was the source of their livelihood. It has compounded the burden on our private sector which has already suffered greatly through this economic downturn. And it has shaken the foundations of the broader community for whom HOVENSA provided so much.

The people of the Virgin Islands have endured much in our history and we will come through this crisis as well. We have been working on improving the foundation upon which our future will be built. But we know that we can only get there together. We can only get there with cooperation and with civility. We can only see clearly when truth lights the way.

I know, and the people of this territory know, that to win our future we must attach ourselves to our highest aspirations for ourselves and for our children. We must anchor ourselves to those aspirations with unbreakable links of hope and faith and charity.

We must continue to pull ourselves forward -- little by little -- step by step -- each and every day with hard work, confident in our own abilities, confident in the commitment of our families and friends, and -- yes -- our government, to work with us to our shared future.

We must help ourselves and we must help others. We can and shall move ahead because we know that we have the strength the Lord has given us. With his guidance we shall succeed.

Scripture tells us the story of the Israelites flight from Egypt. With Pharaoh's army in hot pursuit the people found themselves up against the shores of the Red Sea. Surrounded – troubled-- all seemed lost. And their leader turned, as all leaders must, to the sole source of truth. He looked up at the skies, and asked the Lord, "What am I to tell these people who cry out in this moment? What are we to do?" And the Lord said --- "Move forward!" And, as if one, the people moved forward and the seas parted and they were delivered. Their walk was long and hard. They were not carried, and they did not soon arrive.

But arrive they did, to a place where they could work for peace, where they could live another day, where they could raise another generation of their children, to work and to hope and to always keep faith. Faith, the power of faith, the power of faith in themselves and in their God, walked them across to their deliverance.

My fellow Virgin Islanders now -- more than ever -- the message I have to each and every one of you is, let us not lose faith, let us not lose faith in ourselves, -- let us not lose faith in our future, let us move forward. Let us move forward together.

May God bless each and every one of you, and may God bless our Virgin Islands.

"As I deliver this State of the Territory Address, we find ourselves in the most difficult period our generation will face. We face a moment in time that requires nothing less than for each and every one of us to acknowledge the change thrust upon us and to rise up and work together if we are to ensure our survival as a government and as a community."

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