85th Congress 2d Session } HOUSE OF REPRESENTATIVES { Report No. 2701

# VIRGIN ISLANDS CORPORATION ACT (63 STAT. 350)

August 23, 1958.—Ordered to be printed

Mr. O'Brien of New York, from the committee of conference, submitted the following

# CONFERENCE REPORT

[To accompany H. R. 12226]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12226) to amend the Virgin Islands Corporation Act (63 Stat. 350), and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, and 4, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the language inserted by the Senate amendment, insert the following: *sale of any property valued at $500 or more shall be made only after public advertisement and by sealed competitive bids or public auction: Provided further, That in either such case the Government of the Virgin Islands shall have the right to purchase the property at a price not greater than that offered by the highest responsible bidder and that, in the case of sales of property valued at less than $500, it shall have a right to purchase at a price not greater than that offered by responsible prospective purchasers.*"

And the Senate agree to the same.

That the Senate recede from its amendment numbered 5.

Leo W. O'Brien,
Wayne N. Aspinall,
B. F. Sisk,
A. L. Miller,
John P. Saylor,
*Managers on the Part of the House.*

Henry M. Jackson,
Clinton P. Anderson,
Thomas H. Kuchel,
*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12226) amending the Virgin Islands Corporation Act (63 Stat. 350), and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the amendments to the text of the bill:

The principal question at issue in connection with the Senate amendments to H. R. 12226 was the method of sale of assets of the Virgin Islands Corporation. The House language had left discretion to the Directors of the Corporation to use negotiated sales, competitive bidding, or public auction as they saw fit. This was recommended by spokesmen for the Department of the Interior in the belief that negotiated sales frequently produce a better bargain for the Government than competitive bidding or public auction does. The Senate amendment required a public auction in all cases. Agreement was reached by the conferees that sales of assets valued at $500 or more shall be by public auction or competitive bidding and that sales of assets valued at less than that amount may be by such method as the judgment of the Directors dictates. In either case, "fair and reasonable value" must be realized and, as provided by the Senate amendment, the Virgin Islands government will have a first refusal.

The only other matter of consequence for resolution was the Senate's insertion of an amendment explicitly referring to the use of power revenues to assist in repayment of the cost of the desalting works. The conferees have agreed to recommend omission of the amendment. It is observed that, as far as repayment is concerned, another portion of the bill requires that this be accomplished by the sale of water under contracts calling for payments sufficient to cover all operating expenses, to amortize the investment, and to pay interest thereon. The great bulk of the sale will be to the Virgin Islands government.

The other Senate amendments, to which the House conferees agreed, are perfecting in nature.

LEO W. O'BRIEN,
WAYNE N. ASPINALL,
B. F. SISK,
A. L. MILLER,
JOHN P. SAYLOR,
*Managers on the Part of the House.*



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