



| Committee on Economic Development and Agriculture

Legislature USVI

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- 0:00:00 Let's get started. We'll be right back. Thank you. [3 such phrases repeated 9 times · standby audio before the proceeding, transcribed by the recogniser as speech]
- 0:04:30 We'll be right back. Thank you. We'll be right back.
- 0:06:00 We'll be right back. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. We'll be right back. We'll be right back. We'll be right back. Thank you. Thank you. Thank you. Thank you. We'll be right back. Thank you. We'll be right back. We'll be right back. Thank you. Thank you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. We'll be right back. Thank you. Thank you. Let's get started. We'll be right back. Thank you. We'll be right back. Thank you. Thank you. Thank you. We'll be right back. We'll be right back. Thank you. Thank you. My apologies, my mic wasn't on.
- 0:31:02 Good morning to all participating and viewing today's 34th Legislature Committee on Economic Development and Agriculture hearing scheduled for July 14th. Again, good morning to all. So today's meeting has been called to ascertain information on the status of the former Lime Tree Bay Oil Refinery and to hear more details on the Territorial Agriculture Plan developed by the University of the Virgin Islands through Act 8404.
- 0:31:45 The refinery will be addressed in the first block, and I think it is important that we put forward that this is an informational session, not a court proceeding. There are also no bills, no permits, or agreements before us today. It's clearly an informational session. We are here to learn more about the new refinery ownership and their plans, which without question have potential for significant impact on the Virgin Islands and particularly here on the island of St. Croix. The people of St. Croix require a clearer picture as to the sale of the refinery, any plans to reopen or repurpose it, and the status of environmental remediation initiatives. I also hope that the officials here today can update the committee and the public as to the Virgin Islands Government's current role in the entire process. There is quite a bit to address this

morning, even though we had also hoped to actively engage the U.S. Environmental Protection Agency, known as the EPA, the Department of Planning and Natural Resources, DPNR, and the Office of the Governor in today's hearing. However, DPNR has provided testimony, and we will hear from the Public Finance Authority, the Department of Licensing and Consumer Affairs, as well as from, of course, the refinery's owners, and I believe a Lime Tree representative.

0:33:38 I have fielded many questions from the community since announcing this hearing, and I'm pretty sure that my colleagues have as well. And there is certainly a great deal of interest in this issue. I will be bringing some of my constituent questions and concerns to the floor today, and of course, those that I have on my own. I am sure my colleagues as well, as I stated before, have a great deal as well of information that they too hope to learn. So we'll get started this morning. And before we begin, I want to at least make sure that we get on record who's here and who's representing who. So I will start from my left, the gentleman here, Media, if you don't mind, you could turn on all the mics just for this time being, and they will introduce themselves from my left going over to Attorney Walker.

0:34:39 And after that, we'll see if there's anyone else on teams. My name is Fermin Rodriguez, and the· Please pull the mic towards you. My name is Fermin Rodriguez. I'm the Vice President of the Humanity Manager for Port Hamilton. Port Hamilton? Yes, sir. Yes, I'm Danville Walker. I'm a senior vice president for West Indies Petroleum. Okay and I'm gonna ask you all that are sitting here to pull your mics closer as you begin your testimony, okay? So the stenographer is in the other district and they have to be able to hear you. Sir? My name is Charles Chambers.

0:35:20 I'm a principal of Port Hamilton refining and transportation. Thank you. Good morning, Senator Giddens, Richard Evangelista, Commissioner of the Department of Licensing and Consumer Affairs. Thank you. Good morning, I'm Nathan Simmons, Director of Finance and Administration, Public Finance Authority. Thank you. Good morning, my name is Key Walker, I'm the General Counsel for the PM. Thank you so much. And Madam Clerk, can I ask you to, before we go, anyone else on, Do we have anyone on teams?

0:36:03 No one for testimony. Madam Clerk, can you do a roll call first, please, and then followed by the agenda? Senator Dwayne M.D. Graff? Senator Dwayne M.D. Graff, absent. Senator Alma Francis Heiliger. Present. Senator Alma Francis Heiliger, present. Senator Novell E. Francis, Jr. I'm here. Senator Novell E. Francis, Jr., present. Senator Donna A. Fred Gregory. Senator Donna A. Fred Gregory, absent. Senator Javon E. James, Sr. Present. Senator Javon E. James, Sr., present. Senator Milton E. Potter. Senator Milton E. Potter, present. Senator Kenneth L. Giddens.

0:36:48 Here. Senator Kenneth L. Giddens, present. Mr. Chairman, we have five present, two absent. Thank you. We do have a quorum. We'll proceed. Can you proceed with a reading of the agenda into the record, please? The Committee on Economic Development and Agriculture will be meeting on Thursday, July 14, 2022, at 10 o'clock a.m. in the Fritz-Eluets Conference Room on St. Croix. This hearing is to receive testimony on the overall status of the Lime Tree Bay refinery, its recent sale, and other activities taking place at and around the refinery site. The committee will also receive testimony on the agricultural plan developed by the University of the Virgin Islands as per Act 8404. This hearing will be conducted in person, however support may participate remotely. Block one. The committee will hear testimony not limited to the overall status of the Line Tree Bay refinery, its recent sale, and other activities taking place at and around the refinery site. Inviter testifiers are as follows. Gordon Shirley, Chairman West Indies Petroleum. Charles Chambers, Chief Executive Officer, Port Hamilton Refinery. Carl Knight, Chief of Staff, Office of the Governor, Honorable John Pierre Oriel, Commissioner, Department of Property and Natural Resources, Jeffrey Charles, Chief Operating Officer, Lime Tree Bay Terminals, Wayne L. Biggs, Chief Executive Director, Virgin Islands Economic Development Authority, the Honorable Richard Evangelista, Commissioner, Department of Licensing and Consumer Affairs, Nathan Simmons, Director, Public Finance Authority, Joel Lee, Director, Bureau of Internal Revenue, Zeno Bean, Community Contact Environmental Protection Agency. Block two, the committee will receive, will hear testimony on the Agricultural Plan

0:38:56 by the University of the Virgin Islands as per Act 8404, information regarding and moving the plan forward through legislative action and other initiatives. Invited testifiers are as follows. Dr. David Hall, President, University of the Virgin Islands. The Honorable Anthony D. Thomas, Commissioner, Department of Property and Procurement. Kimi Boyce, Bryce, Area Director, Christianstead USDA Service Center. Mark Carlton, District Director, U.S. Department of Agriculture. The Honorable Positive, T.A. Nelson, Commissioner, Virgin Islands Department of Agriculture, Rudy G. O'Reilly, District Director, St. Croix District Conservationist, Dale Brown, owner, Seja Farms of the Virgin Islands, Summer Sibley Brown, owner, VI Good Food Co-op, Luca Gasperi, owner, Art Farm LSC. Mr. Chairman, that is the agenda. Thank you so much. is there any correspondence that we read into the record?

- 0:40:04 Yes, Mr. Chairman. How many? From the Honorable Donna A. Fred Gregory. You may, just that one. And testifiers, absent, four. You may proceed. You may proceed. Letter from the Honorable Donna A. Fred Gregory, President of the 31st Legislature of the Virgin Islands, dated July 14, 2022, to the Honorable Kenneth Elgittins. Dear Chairman, Chairperson Gittins, please accept this letter as a formal notice of my late arrival to today's Committee on Economic Development and Agriculture meeting, which is scheduled to begin at 10 o'clock a.m. in the Fritz-Eloes Conference Room on St. Croix. Please have all circulated documents placed on my desk for immediate review upon my arrival. Thank you for your consideration on this matter. Kind regards, Donna A. Fred Gregory, President, 34th Legislature of the Virgin Islands. Thank you. Any correspondence from DPNR or Property and Procurement?
- 0:41:13 You may proceed with the, is it an excusal letter or a testimony from DPNR? Excusal from DPNR. You may proceed with the DPNR correspondence. Department of Planning and Natural Resources, Jean-Pierre L. Oriel, Commissioner, dated July 12, 2022, to the Honorable Senator Kenneth L. Gittins. Dear Senator Gittins, my apologies for not being able to attend the hearing scheduled for July 14, 2022. However, I have previously scheduled matters meetings that prevent my attendance at this hearing. In an effort to assist with your hearing, I would like to provide you with the following update as relates to DPNR's responsibilities over the terminal and refinery facilities. As relates to the sale of the refinery, DPNR has had no involvement in this process.
- 0:42:12 Outside counsel to the... Okay, Madam Clerk, that part I'll just wait until the testimony. Yes, Mr. Chair. Just mark it right there. Any other excusal from any other government agency? Virgin Islands Internal Revenue Bureau. Excuse me? Virgin Islands Internal Revenue Bureau. Yes, you may proceed with that. From Joa A. Lee, Director, Virgin Islands Bureau of Internal Revenue, dated July 12, 2022, to the Honorable Kenneth L. Gittins.
- 0:42:46 Dear Chairman Gittins, this is in response to your invitation to testify before the Committee on Economic Development and Agricultural Thursday, July 14, 2022, at 10 o'clock a.m. in the Fritz Ilovitz Conference Room on St. Croix. This hearing is to receive testimony on the overall status of the Lime Tree Refinery, its recent sale, and other activities taking place at and around the refinery site. Based on the preview of the topics of the hearing, it appears that the Bureau of Internal Revenue will not be able to offer any valuable testimony since the Bureau is prohibited from disclosing taxpayer information pursuant to Title 26, U.S.C. 6103. Accordingly, the Bureau seeks to be excused from attendance committee hearings. Sincerely, Jewel A. Lee, CPA.
- 0:43:37 Anything from the Economic Development Authority, or anyone else? Environmental Protection Agency. You may proceed. Letter from Zine Bain, dated July 13, 2022. Good morning, Senator Gittins. I respectfully decline the invite to testify. EPA does not typically testify at local legislative hearings or endorse local or state legislation or resolutions, so I am unable to participate. But if you have any technical questions for EPA, we would be happy to provide a written testimony.
- 0:44:26 Thank you. Zeno Bean. Thank you. And that concludes the correspondence. Yes, Mr. Chairman. Thank you. Any alibis, colleagues, questions before we begin the testimony? Hearing none, we will proceed with the testimony from the Public Finance Authority. Good morning, Honorable Senator Kenneth L. Gittins, Chairperson of the Committee on Economic Development and Agriculture of the 34th Legislature of the Virgin Islands.
- 0:45:19 Other distinguished members of the committee, other members of the 34th Legislature present, fellow testifiers, ladies and gentlemen in the listening and viewing audiences, I am I'm Nathan Simmons, Director of Finance and Administration at the Virgin Islands Public Finance Authority. I am accompanied today by Attorney Key Walker, General Counsel to the Authority. We also have joining us in the virtual conference, Attorney Laura Lee Farrington, Staff Council and Chief Disclosure and Compliance Officer, and Carol Burke, Compliance Manager, Refinery and Terminal Operations and Distillery Agreements. Mr. Chairman, we appear today at your request to provide testimony on the overall status of the Limetree Bay refinery, its recent sale, ownership and other activities taking place at and around the refinery site. The authority has been charged with compliance oversight of the refinery operating agreement between the Government of the Virgin Islands and Limetree Bay Refining LLC, which agreement was ratified by the 31st legislature pursuant to Act 7806 as amended by Act 872. In this regard, the authority undertakes limited financial auditing and payment confirmation activities and monitors compliance with certain requirements of the refinery operating agreement. The authority is not tasked with, nor is it capable of, performing physical inspections, investigations, or site visits of the refinery or the terminal. Those compliance activities undertaken by the authority regarding the Refinery Operating Agreement include the following. Ensuring LBR, per Article 7.5 of the Refinery Operating Agreement, contributes not less than \$200,000 for training and scholarship for VI residents, provided, however, that LBR is deemed to have satisfied its obligations herein so long as LIME Tribate Terminals is satisfying its similar obligation under Section 7.4 of the LBT amended and restated terminal

- 0:47:37 operating agreement. Ensuring also for Section 7.5 that LBR creates and operates at its cost additional training programs that will teach refining related skills to qualified Virgin Islands residents. Ensuring LBR complies with its financial obligations per Article 8 of the refinery operating agreement which requires that LBR make a quarterly refinery payment after restart of the refinery.
- 0:48:11 Ensuring that LBR in any year in which it is conducting refinery operations contributes a minimum of \$300,000 per year in addition to the \$200,000 per year contributed for training and scholarships to charitable causes. that LBR provides insurance, naming the government as an additional insured as per Article 10 of the Refinery Operating Agreement. And finally, ensuring that LBR provides annual audited financial statements as per Article 15.1 of the Operating Agreement. As to the committee's request for an overall status of the refinery and its sale, the government was informed that LBR achieved refinery restart on January 31, 2021. LBR made its first quarterly payment of \$2.3 million to the government on March 31, 2021. The next quarterly payment due from the refinery, which would have been in the amount of \$2,493,151, was due on June 30, 2021. The payment was not made and on July 12, 2021, the government provided LBR with a notice of deficiency as required by Article 16.1 of the Refinery Operating Agreement.
- 0:49:35 LBR filed this voluntary petition for relief in the bankruptcy court that same day, rendering the government's deficiency notice void due to the automatic stay. The filing of the bankruptcy petition followed a series of air emission incidents after which the U.S. Environmental Protection Agency issued an emergency order to LBR to discontinue refining operations for 60 days. This shutdown order preceded LBR's June 21, 2021 notice to the EPA indicating indefinite suspension of its plan to restart the refinery. The refinery closure impacted approximately 271 employees. LBR's Chapter 11 petition in the Bankruptcy Court in Texas was filed on July 12, 2021.
- 0:50:31 Immediately subsequent to its filing, LBR filed a motion for the sale of its assets in bankruptcy. This process allowed for interested parties to examine LBR's assets and submit bids at an auction. A selected winner at the auction, which was held on November 18, 2021, was Syncroy Energy LLP, which submitted a proposal to restart production at the refinery. Syncroy Energy's bid included \$20 million in cash and \$14 million in assumed and avoided liabilities, less a \$1 million expense reimbursement for Syncroy Energy. The unsuccessful bidder, Bill Limited, which had submitted a combined bid with Sabin Metal Corp, challenged the \$33 million lead offer for the facility, arguing that their competing proposal to dismantle the facility was better for the local population and further that its combined bid of up to \$39 million amounted to a far higher offering than the Sinkroy Energy offer. Bill Limited's bid included \$3.2 million in cash and up to 55% of net proceeds of the equipment it managed to sell as part of the dismantling, not to exceed \$21.56 million over the course of three years. Further to the challenge filed by Bill Limited and Sabin, LBR filed a motion on December 6, 2021 to reopen the auction proceedings after West Indies Petroleum Limited, a Jamaican based firm that specializes in bunker services and oil storage, offered the LBR a going concern bid of \$30 million in cash upfront, which was a more lucrative deal than Cinquois Energy's \$20 million cash offering. The bankruptcy court granted a motion to reopen the auction and allow the two going concern bidders, West Indies and Cinquois Energy, and the joint liquidation
- 0:52:36 bidder, Bay Limited and Sabin, to bid at a new auction. On December 21, 2021, the Court granted the LBR DETO's motion to sell their assets to West Indies and Port Hamilton Refining and Transportation LLP for \$62 million, overruling the remaining objections. to the purchase assets were transferred to Port Hamilton at the time of closing per the Bill of Sale attached to the Asset Purchase Agreement. While both West Indies and Port Hamilton were the purchaser under the agreement, the court filings indicate that the title to the assets and the contracts transferred to Port Hamilton only.
- 0:53:24 When the sale closed, Port Hamilton stepped into the shoes of Lime Tree Bay for purposes of the refining operating agreement and overall operations of the refinery. Therefore, there is no new operating agreement. Rather, the refinery operating agreement remains the same with the new owner, Port Hamilton. Now be mindful that the bankruptcy proceedings concern the refinery only and not the terminal. There is a separate operating agreement for the terminal and the separate operating agreement for the refinery, with both the terminal and the refinery sharing certain services. Therefore, although LBR is no longer the owner of the refinery, given the bankruptcy filing that resulted in the ownership of the refinery being transferred to Port Hamilton, Limetree continues to own and operate the terminal pursuant to a terminal operating agreement with the government which the authority monitors. The filing of bankruptcy protection by LBR resulted in several missed payments to the government totaling \$7.534 million as follows.
- 0:54:38 A quarterly payment that was due on June 30th in the sum of \$2,493,151, quarterly payment that was due on September 30, 2021 in the amount of \$2,520,548, and a quarterly payment that was due on December 30, 2021 in the amount of \$2,520,548. While LBR was in default for the June payment, since the government was able to issue written notice of the default as required pursuant to Article 16.1, neither the September nor December payments were in payment default as the automatic bankruptcy stay prevented the government from issuing a deficiency notice and triggering the 90-day cure period as provided for in the contract. Therefore, even though the September and December payments were due and

owing, they were not contractually in default. On or about May 4, 2022, LBR, with the support and agreement of the government and Port Hamilton, filed an emergency motion with the court for entry of an order, one, granting relief from the automatic stay, and two, approving assumption and assignment of certain executory contract.

0:55:57 In its order dated May 18, 2022, the court, in response to the motion, lifted the automatic stay, which allowed for, among other things, the government to draw the June payment from the shared letter of credit which lay in Tribate Terminal posted pursuant to Article 16.1 of the Terminal Operating Agreement. Further, for the order of the court, the government may proceed to issue default notices for the September and December payments due under the Refinery Operating Agreement. the assurance of the course order on May 23, 2022, the authority issued notice to LBR that it was in breach of the operating agreement for failure to remit the September and December payments. Additionally, the authority and the government initiated the draw on the letter of credit which resulted in receipt on June 10, 2022 of the sum of \$2,493,151 for the June 2021 outstanding payment. The government and the authority continued to pursue the remaining outstanding amongst along with outstanding interest owed by Lime Tree Bay Refinery. The authority's His role with regard to the bankruptcy was to monitor the proceeding. The authority was not a party to the bankruptcy filing, was not involved in the negotiations of any agreements related to the ownership or operation of the refinery, and is not otherwise involved in any activity taking place at or around the site. Further details of the sale are publicly available in the docket of the U.S. Bankruptcy Court

0:57:49 for the Southern District of Texas, Houston Division, Case 21-32351. Details on the requirements for restart pursuant to the Clean Air Consent Decree, to which the refinery is subject, has been lodged with the United States District Court of the Virgin Islands Division of St. Croix and can be found at Civil A No. 1-21-CV00264. As a courtesy to you and your committee members, the authority has compiled and previously submitted the following documents for your review.

0:58:30 Relevant docket entries from the bankruptcy proceeding and consent decree action. Public corporate filings available via the Division of Corporation and Trademarks of the Virgin Islands Lieutenant Governor's Office. available corporate filings of the bill of sale title owner to the refinery and complaint filed and docketed as Lime Tribate Terminals LLC versus Port Hamilton Refining and Transportation LLLP filed on June 22, 2022. The authority takes seriously its role in the compliance monitoring of the refinery operating agreement. However, as you can see, that role is extremely limited.

0:59:12 The authority is available to answer questions regarding its compliance oversight of the refinery operating agreements and its efforts to ensure and enforce compliance with certain terms of the operating agreement. Mr. Chairman, that concludes my presentation to the extent of the authority's involvement in the overall status of the Limejubei refinery, its recent sale, ownership and activities taking place at Orang Dei Refinery. Thank you, Director Simmons. You stated that you have at least two persons on the line, that of Attorney Farrington, Staff Counsel and· Carole Borg.

1:00:00 Carole Borg, Compliance Manager. they on can we just do a systems check quickly before we move to the next testifier just uh put your name and title on the record just so we could make sure we have good communication attorney you're on mute unmute yourself first yes so sorry about that good morning um this is laurie farrington staff council for the pfa thank you promise good morning senator gettons and um other senators this is carol burke compliance manager pfa thank you uh just remember to unmute yourselves whenever ask a question before we go to the next testifier there's a point of inquiry uh mr vice president you may you recognize thank you very much mr chairman and good morning to you my colleagues good morning to the testifiers and good morning to the people of virgin islands mr chair i wanted to ask you whether or not a legal counsel is assigned to the committee hearing this morning and who is assigned yes uh to my understanding um attorney uh nandy siku i believe i'm seeing her over in the other district attorney secu if that's you can you just identify yourself please Good morning, Nandi Sekou, Assistant Legal Counsel. It's not on?

1:01:48 Good morning, Nandi Sekou, Assistant Legal Counsel. For the 34th Legislature. Thank you. We'll proceed to Commissioner. Commissioner, I'm sorry, before we proceed, let me recognize the presence of committee member, Senator Duane M. DeGraff, and also non-committee member, Senator Kurt VLA, Finance Chair. Welcome. Yes, he was here for the roll call. Commissioner Evangeliste, licensing a consumer, you may proceed with your testimony.

1:02:31 Good day, Honorable Senator Kenneth L. Gittins, Committee Chair, 34th Legislature Committee on Economic Development and Agriculture, Committee Senators present, Non-Committee Senators present, and the listening and viewing audience. My name is Richard Tomas Evangelista, Commissioner for the Department of Licensing and Consumer Affairs. Thank you for providing DLCA with the opportunity to testify before the Committee on Economic Development and Agriculture regarding DLCA's involvement on the overall status of the Limetree Bay refinery, its recent sale, ownership, and other activities occurring at and around the refinery site. DLCA issued a business license to Port Hamilton Refining and Transportation Limited Liability Limited Partnership on March 8, 2022.

- 1:03:23 The business category is general manufacturing, petroleum refining, and related industry. DLCA has not had any further interaction with Port Hamilton Refining and Transportation, LLLP, since its business license was issued. As such, this concludes DLCA's testimony regarding our involvement with the subject matter before today's committee on economic development and agriculture. I am prepared to answer any questions this body may have. Thank you, Senator Giddens. Thank you, Commissioner.
- 1:03:59 Proceed with Sir Rodriguez, Port Hamilton refining. Good morning, Senator. You represent, let me be clear, pull the mic close to you, please. And if not, you could take the mic out of the stand. Are you representing Port Hamilton or are you representing Lime Tree? I am representing Port Hamilton. Port Hamilton.
- 1:04:25 Yes, sir. OK. Pull the mic closer to you, please. OK. Good morning, Senator Kenneth Gittins and other senators and people that are connected to the internet. My name is Fermin Rodriguez. I have been appointed vice president at the Gifanary, my year for the Gifanary. I am a chemical engineer for 47 years experience in the petrochemical refining industry. 34 of which years I have spent in the refinery. During those 34 years, I have been engaged in the engineering, design, technical services, maintenance, operations, and construction of the refinery.
- 1:05:11 I have operated all the refinery units, including start-out, shutdown, and normal operations. In 2010, I established a consulting company based in the Virgin Islands to provide services to companies and public entities in the Virgin Islands, Puerto Rico, mainland, and Central America. These activities included engineering, EPA risk management, resource conservation, recovery act, compliance, OSHA process safety management, incident management, oil pollution response plan, Marathon security and compliance audits. In addition to my previous work for HES, Hovensa, I consulted with diverse clients such as Total Energy, Colco, WAPA, Puma Energy, ICA, Fluor, Houston Engineers and others. I could provide a listing of other companies that have service throughout these years. I'm here today to audit this body regarding the progress being made by Port Hamilton in an effort to bring the refinery in St. Croix back into operations.
- 1:06:25 We're working closely with various permitting authorities to ensure we comply with some regulatory and all the requirements for restarting the operations. At present, we are continuing the following activities. Maintaining all refinery equipment that is defined as IDOL, so they could start the heat foundry is feasible. Coordinating inspections and equipment used for the restart. Engaging engineering contractors to complete process design specifications, detailed engineering, design package that is necessary for the restart of the configuration on the new configuration. We're also engaging with consulting, regulatory consulting companies to work with EPNR and EPA. Regarding monitoring of emissions, sulfur compounds continue as a request from EPA.
- 1:07:25 To this end, we have five compliance monitors located around the refinery, and the information is given to EPA on a daily basis as required. In addition to that one, that information is available through EPA. We will be acquiring four additional monitors to monitor the operation of the HIFANA that we start up. In an ongoing effort of maintaining the unit status, idle status for restart, we're also getting into all the step preparation for hurricane season, removing any potential debris and other items that could be airborne, if you're here, I can heads up the St. Croix.
- 1:08:07 With respect to the anticipated configuration of the hyphenolite upon restart, we plan to operate on a topping operation. This is a limited use of the hyphenolite units, which will be done in a continuation of restart by prior owners, as permitted by DPNR. Hamilton will operate in compliance with all permits issues and the is on top of configuration to produce NAFTA, jet fuel, diesel, and bunker fuels. In anticipation to the start, Hamilton is conducting operations to purge the equipment with nitrogen in preparation for inspection of the equipment regardless if it was operating during previous operations or not. Every equipment would inspected and recheck prior to start up. In addition, Port Hamilton is taking steps to review, update the Hifana risk management plan and improve the process safety program. With respect to staffing, Port Hamilton is committed to hire sufficient personnel to safely operate the Hifana on top of configuration. In anticipation to bring in this to fruition, we are planning to start getting personnel with experience in the rifanary by September this year.
- 1:09:29 At least they will have six months reacquainting with the rifanary and will have a complete simulation training of all the procedures, mechanical, operational and process safety. That concludes my presentation, Senator. Thank you, Mr. Rodriguez. I will move to your name again, sir? I'm sorry. Yes. Mr. Walker, representing West Indies Petroleum. I can't hear you. You have to pull that mic right in front of you.
- 1:10:29 Good morning, Chairman Gittins, Vice Chair Potter and members of the Committee on Economic Development and Agriculture. On behalf of West Indies Petroleum, I am appreciative of opportunity today to appear before this committee to offer some clarity on matters that have recently been in the public domain. Through my comments I'll provide a brief history and further reiterate a separate legal status of West Indies Petroleum Limited and Port Hamilton Refining and Transportation.

- 1:11:02 West Indies Petroleum incorporated in 2012 and operational in 2013 to enter the ship bunker business. West Indies Petroleum is an energy company that provides quality products to the Caribbean and Latin America. Safety and compliance are the heart of the business. West Indies Petroleum is operational 24 hours a day, 365 days a year, and we provide our products through retail locations, regional cargo distribution, and marine bunkering. Chairman, it's a matter of public record that the sale of the refinery on St. Croix was conducted pursuant to the legal orders of the U.S. Bankruptcy Court. The specific details of that sale are a matter of public record in the docket of the U.S. Bankruptcy Court for the Southern District of Texas, Houston Division, Case 21-32351. By public order dated December 21st, the court approved the sale of the refinery on St. Croix pursuant to the terms of the Asset Purchase Agreement attached to the order.
- 1:12:12 West Indies Petroleum Limited and Port Hamilton Refining and Transportation were selected as the winning bidders under the order and are parties to the Asset Purchase Agreement as purchased around December 21st. to the purchase assets was transferred to Port Hamilton Refining and Transportation at the time of closing for the bill of sale attached to the asset purchase agreement. While both West Indies Petroleum Limited and Port Hamilton Refining and Transportation were purchased under the agreement, the court filings specify that title to the assets and contracts is held solely by port hamilton refining and transportation i reiterate that west indies petroleum limited and port hamilton refining and transportation are two legally separate and distinct organizations and west indies petroleum limited has no ownership stake in the refinery chairman getting my hope that via my appearance today west indies petroleum has cleared up any ambiguity concerning the issues I've addressed and we appreciate your understandably significant interest in this matter. We are heartened that Port Hamilton Refine and Transportation, which consists of investors from the Caribbean, retains ownership of the refinery. And as per statement that will be given by Mr. Chambers, we are fully intent, their full intent on doing right by and securing the interests of the people of the U.S. Virgin Islands and the wider region.
- 1:13:59 Thank you, Mr. Chairman. There ends my testimony. Thank you. Is there another testimony? Sir? Good morning again, Chairman Gittins. Yes, sir is. Chairman Kenneth Gittins. May proceed. Thank you, sir. Chairman Kenneth Gittins, Vice Chairman Milton Potter, and members of the Committee on Economic Development and Agriculture, good morning. Good morning.
- 1:14:32 On behalf of Port Hamilton Refining and Transportation, I wish to thank you for the opportunity to appear today for the Legislature of the U.S. Virgin Islands, to discuss our ownership of the refinery on St. Croix, and give an update on our exciting plans for the facility. We are grateful to the committee and to your colleagues in the 34th Legislature for your interest in this matter and your support in our efforts to enhance economic development for the people of the United States Virgin Islands.
- 1:15:21 For your information members, Fort Hamilton Refining and Transportation is a consortium of United States and Caribbean investors who came together to purchase the refinery on St. Croix. I am part of a group that is the largest shareholder of Fort Hamilton Refining and Transportation. For clarity and full disclosure, Mr. Chairman, I am also one of the owners and also the Chief Executive Officer of Westinness Petroleum Limited, which is a company that is based in Jamaica. However, I appear before you today primarily in my capacity as lead principal of Port Hamilton Refining and Transportation, which is a totally separate legal entity from West Indies Petroleum. Chairman and members, facts surrounding the purchase of the refinery in St. Croix are as follows. For Hamilton Refining and Transportation and West Indies Petroleum were designated as the winning bidders under the order and are parties to the asset purchase agreement as purchaser on December 21, 2021. Title for the refinery was transferred to Port Hamilton in January 2022 at the time of closing per the bill of sale attached to the asset purchase agreement. So, while both WIPP and Port Hamilton were purchases under the agreement, the court
- 1:17:15 filing specified that title to the assets and contracts is in Port Hamilton Refining and Transportation's name. In January 2022, Port Hamilton successfully closed the sale and thereby completed the acquisition of the refinery on the south shore of St. Croix. Danville Walker, Senior Vice President of West Indies Petroleum, is here today and has provided a statement on behalf of WIPP while I will focus on Port Hamilton and our intentions for the refinery on St. Croix. Chairman, Port Hamilton refinery and transportation appears before you today at a time when there is much conversation across the region and indeed the world about record high gas prices and accompanying concerns regarding inflation.
- 1:18:18 We are sensitive to the fact that our proprietorship of the refinery on St. Croix places us in a unique position to assist with addressing these issues both within the U.S. Virgin Islands and across the Caribbean region, including the United States. The reality is that the demand for refined petroleum products such as gasoline and diesel is exceeding the industry's current capacity to supply this demand. The shortness of supply in the market has contributed to price increases that are straining the finances of many hard-working people. Our objective is to restart the refinery on St. Croix in a safe and environmentally sound manner, which we hope will help to alleviate this tight supply situation.

- 1:19:14 For emphasis, chairmen and members, we reiterate our commitment to the safe and environmentally sound restarting of the refinery at 180,000 barrels per day of production amidst the current tight supply environment, particularly in the United States and the Caribbean. Port Hamilton Refining and Transportation has a good opportunity to quickly bring new supply to the market with refinery production that is both inside the United States and the Caribbean. We are continuously pushing within the international investment community towards ensuring that the Port Hamilton refinery is restarted in the shortest possible time, which we think will be by the second quarter of next year, once financing is secured.
- 1:20:15 Port Hamilton Refining and Transportation takes very seriously our role and opportunity to be partners with the St. Croix community. Port Hamilton Refining and Transportation will strengthen the economy through the well-paying jobs we will create, and through workforce training and development. We hope that in September 22, we will be able to commence Phase 1 hiring as we push towards the restarting of operations of the refinery on St Croix, which we expect to create a great many number of jobs for the people of St Croix. By way of update, Chairman, conversations are underway with local and federal regulators and a host of other critical constituents in order to ensure the safe and environmentally friendly and quick restart of the refinery.
- 1:21:10 For nearly 50 years, the refinery produced up to 650,000 barrels per day and was a critical asset in the United States and the Caribbean fuel supply chain. Those years were a boon for the economy of the U.S. Virgin Islands, which can be realized again in the future with a restart of the refinery. St. Croix's strategic location and the Port Hamilton refining and transportation restart could significantly aid in economic sustainability for the U.S. Virgin Islands, and aid in energy policy and national security for the United States. In addition to supply to the Caribbean, the refinery could supply the eastern Gulf Coasts of the United States, service delivery fast, and be an integral part of increasing the supply of fuel and energy products.
- 1:22:11 We are aware and sensitive to the fact, Mr. Chairman and members, that over the last 10 years, the people of the U.S. Virgin Islands have endured multiple hardships that have negatively impacted the economy, from the refinery shutdown in 2012, Irma and Maria, and back-to-back hurricanes in 2017, and two years of COVID-19. Over it all, U.S. Virgin Islands have been hardworking and resilient.
- 1:22:47 It is with this resilience that we will recover and play our part in helping to transform the territory together. We're happy to have been given the opportunity to provide an update in this August forum concern in Port Hamilton refining and transportation's ownership and plans for St. Croix in the United States Virgin Islands. Chairman and your members do accept the assurance of our highest consideration.
- 1:23:25 Thank you. Thank you, Mr. Chambers, and I do believe that this now concludes the testimonies to be provided as the others are not present with us. At this time, we'll take a three-minute recess and return so that we can open the floor to colleagues so that we could have an interaction. The committee will recess for three minutes.
- 1:24:26 We'll be right back. We'll be right back. We'll be right back. Thank you. We'll be right back. Thank you. Thank you. We'll be right back. We'll be right back. We'll be right back. We'll be right back. We'll be right back. Thank you. Thank you. Thank you. Thank you. The Committee on Economic Development and Agriculture for Thursday, July 14, 2022, is back on record. Before we go to the discussions, I believe the clerk has another three correspondents
- 1:33:08 to be read into the record. You may proceed. State from whom first and then proceed with the reading. Yes, Mr. Chairman. Letter from Jean-Pierre Auriel, Commissioner, Department of Planning and Natural Resources dated July 12, 2022. Dear Senator Gittins, my apology for not being able to attend the hearing scheduled for July 14, 2022. However, I have previously scheduled meeting that prevents my attendance at the hearing. In an effort to assist with your hearing, I would like to provide you with the following update as it relates to DPNR's responsibilities over the terminal and refinery facilities as relates to the sale of the refinery dpnr had no involvement with this process outside comfort to the government of the virgin islands is monitoring the sale and compliance with mandates as outlined by the bankruptcy court as a result of the sale however the consent decree that was first entered in a clear clean air act enforcement action that was against Hovenza in 2012 subsequently modified and assigned to Limetree Bay in 2016 and then again modified in December 2021 to address refining operations must once again be amended to reflect revised ownership of the refinery. This process is being coordinated by the U.S. Department of Justice on behalf of the U.S. Environmental Protection Agency, with the Government of the Virgin Islands as co-plaintiff.
- 1:34:43 With respect to the resumption of refining operations, DPNR has not received any correspondences from Port Hamilton Refinery and Transportation LLLP with respect to a plan outlining the steps that will be taken to resume their activities. DPNR is working collaboratively with the EPA to receive and process any request. In February 2022, DPNR was notified by EP&A that PHRT contacted them to have preliminary discussions regarding addressing the 303D emergency order

issued by the EPA in May 2021. PHRT indicated that the information to be submitted is to be considered confidential business information and both DPNR and EPA had to agree for it to be treated as such.

- 1:35:34 Since this February correspondence, we have not received any information from PHRT or the EPA regarding the resumption of refining operations. We are aware, however, that PHRT has been in communication with EPA and the U.S. Department of Justice regarding the restart of the refinery, including with respect to PHRT's assumption of the consent decree and joint stipulations resolving the 303D emergency order, among other matters. But DPNR has not been party to these discussions. With respect to the terminal operations, Lymetree continues to be in contact with DPNR. Our last inspection of the facility was completed in tandem with EPA representatives in May 2022.
- 1:36:24 The focus of the inspection was for compliance with air pollution control requirements. No non-compliance issues were recorded or observed during this inspection. In May 2021, a joint inspection was completed for compliance with water pollution control requirements. Lime Tree is currently compliant in that they are operating under the terms of a permit that was administratively extended in August 2012. However, LimeTree has been notified that it needs to renew its WPC permit with the department.
- 1:37:02 In addition to PHRT, has been notified that it will also be required to obtain its own WPC permit. PHRT is given permission by LimeTree, will be granted limited coverage on the LimeTree terminals, WPC, as there is shared infrastructure between them. However, it has been made clear that each party will have to have an independent permit approved by the department. PHRT will also have to obtain their own title V permit, which regulates air emissions within the territory.
- 1:37:38 Lastly, as it relates to other activities taking place related to the facility, the Juvenza Emergency Response Trust continues to implement the cleanup activities on the designated parcels. there has been no interruption to their activity as a result of the 303d emergency or sale of the refinery property this is the extent to which we can provide any detail that it relates to the terminal and resinery properties at this time as we receive more information from the applicants we will be able to provide updates to the community accordingly sincerely Jean-Pierre L. Oriel, Commissioner, Department of Property and Natural Resources. A letter from Wayne Biggs, Jr., Chief Executive Officer, Economic Development Authority. Dear Honorable Senator Gittins, I am in receipt of your invitation to provide testimony on the Virgin Islands Economic Development Authority's involvement on the overall status of the Lime Tree Bay Refinery.
- 1:38:47 Its recent sale, ownership, and other activities taking place at and around the refinery site in the Fritz-Elouette Conference Room at the U.S. Virgin Islands Legislature on St. Croix, United States Virgin Islands, at 10 o'clock a.m. on Thursday, July 14, 2022. Unfortunately, I'm out of the territory attending the International African-American Hotel Ownership and Investment Summit and Trade Show conducted by the National Association of Black Hotel Owners, Operators, and Developers in Miami, Florida and will not be able to attend a hearing. The Virgin Islands Economic Development Authority and the Virgin Islands Department of Tourism has partnered at this event, as we often do, to attract hotel resort investment in the territory. I will also be a panelist of the events plenary session entitled Caribbean Investment and Development Forum Rebounding. It should be noted that the Lime Tree Bay Refinery Lime Tree is not a Virgin Islands Economic Development Commission beneficiary and does not have tax incentive benefits under the VIEDC program. USVIEDA has had limited contact with Lymetree in the past and has had no contact with Lymetree since its bankruptcy and sale. As a result, I am uncertain my testimony would add value to the hearing.
- 1:40:19 Lymetree was granted VIEDC-like tax incentive benefits through the Act of the Legislature with approval by the Governor, Act No. 8072. However, the USVIEDA does not support the reopening of the lime tree as it is our opinion that an operating refinery provides significant economic impact to the territory in general and to St. Croix directly. It can be argued that a refinery has had a direct economic impact in growing St. Croix's middle class over the past decade and supporting its nonprofit organizations and schools. For the reasons stated above, please excuse me from the hearing, I thank you for the opportunity to testify and look forward to your continued support of the Virgin Islands Economic Development Authority. Respectfully, Wayne Biggs, Jr., Chief Executive Officer, Economic Development Authority.
- 1:41:22 from jeffrey charles chief operating officer lime tree bay terminals llc dated july 7 2022 dear senator giddens we received your information invitation to provide testimony regarding our company's involvement on the overall status of lime tree bay refineries its recent sale ownership and other activities taking place at and around the refinery site We respectfully submit that Lime Tree Bay Terminals LLC is an oil storage company.
- 1:41:56 It is wholly separate in entirety, sharing no ownership, officers, or directors with the refinery. Considering the foregoing, I would respectfully decline the invitation as we cannot speak to matters relating to the refinery or its activities. Indeed, we welcome you to visit the terminal at a mutually agreeable time to provide you with a tour and more information related to our operation. Sincerely, Jeffrey Charles, Chief Operating Officer, Lime Tree Bay Terminals, LLC. Mr.

Chairman, that concludes the testimony. Thank you, Madam Clerk, and we will take them up on the offer to schedule a tour of the facility to see our movement forward. Before we open up the floor to a round of questions by colleagues, each will have at least up to eight minutes in the first round, I wanted to ask from you gentlemen which company made the initial deposit for the refinery, and how much was the deposit?

1:43:09 put your name on the record please my name is charles chambers i think i believe the initial can you speak into the mic pull up the mic yes i believe the initial deposit was uh three billion dollars I think and it was made by well it was made by West Indies Petroleum the initial deposit you sound like you're not sure three million dollars made by West Indies Petroleum, and not Ford Hamilton, but by West Indies Petroleum, \$3 million. Can you explain to me the exactly what a flare gas recovery system is?

1:44:18 The U.S. EPA indicated that a flare gas recovery system must be installed. MR. I'll direct-I think Mr. Fermin Rodriguez is best able to answer that question. A flood gas recovery system is a system that is put in the tail end of the process units just in case there's off gas or releases from the unit, it could be recuperated and put back into the fuel gas system and fuel gas consumption.

1:44:52 So this is to prevent excessive hydrogen sulfide and sulfur dioxide emissions like what we experienced recently? One is to recover the gases, not necessarily to have H2S or HSO2 emissions as it was before. This is for all gases that are incompounded on that one, doesn't have to have H2S. But it's to recuperate back in the system if there's a constant flow to the system. We don't anticipate that because the conditions under which that was triggered are not conditions that are going to be in operation.

1:45:27 So you have not taken steps to ensure that you install any of these systems, or have you? No. Steps have been taken to prevent any releases to the flare. What I'm trying to say is that there's a need to operate the refinery and all units at specific conditions to avoid any release to the flare. particular gas recovery system is to recuperate any excess material that might go to the flare and put it back in the fuel gas system.

1:46:04 Okay. Thank you. Point of inquiry, before we go to the first senator, who will be Senator Francis? Point of inquiry, Senator Viale, you're recognized. Thank you, Mr. Chair. Good morning to the people out of Virgin Islands. Good morning, colleagues. good morning to the testifiers to the Charity Legal Council is the refinery operating agreement that was ratified by the legislature transferable in a bankruptcy proceedings or do you need a new contract to the Charity Legal Council And if we can give her a while to research, Mr. Chair.

1:46:50 You may proceed, and if you need time to research, we'll do that. You can respond, Attorney Cicco. We can't hear you on this end. Is your mic on? Okay. Good morning. Through the chair, Senator VLA. In the bankruptcy documents, I do not have the agreement because in the act that this legislature, the 31st legislature had ratified the agreement, the attachment was not there. But pursuant to the bankruptcy the agreement, it does say that the purchasers will assume the contract. So I would have to further investigate the actual agreement that was signed by the government of the Virgin Islands. Thank you, Attorney Sekou. We'll proceed with Vice President Sen. Novelli Francis, Jr., you're recognized for your eight minutes.

1:48:04 Thank you very much, Mr. Chair, and good morning to everyone, and I want to thank you all for your testimony this morning. And I want to say that I come from a position where, one, I have lived downwind from Hovensa and Lime Tree, and two, I am a cancer survivor, and three, I have traveled to Boston to have discussion back when there was some consideration for the Lime Tree. Lime Tree Bay Terminal to again try to attract and encourage the Lime Tree Bay refinery so I come from a position where I try to have a balanced discussion in respect to economic development as well as health and safety so I will continue to do that and I must say that again being an advocate for lime tree refinery at the time i believe that they were very good uh to st croix at the appropriate time certainly they provided economic activities that help us to survive during the pandemic and some may say otherwise but i believe had it not been for the lime tree bay we would have been further in distress um at that difficult time during the pandemic so um you know i i want to go on record to say that i do support the lime tree bay refinery at the time however i do have certainly some reservation regarding the safe um emissions you know coming out of the the terminal whatever i mean the uh refinery in whatever form or ownership that it now possess um so talking about that i too had a concern in regards to the the operating agreement mr. Simmons and your testimony you seem to indicated that it is transferable from what position do you take that in fact the operation agreement is transferable good morning

1:50:15 attorney Walker could respond but I don't think I said it was transferable I think the court order grants to Port Hamilton the assumption of the agreement. But Attorney Walker can further explain. So let me further clarify my question then. What is the position of the government in respect to whether or not the current Lime Tree Bay Terminal and Refinery or Finery and Terminal Operation Agreement, let's focus on the Refinery Operation Agreement in specific, whether or not

that is in fact transferable? The government supported the transfer, so as part of the bankruptcy proceeding, there was a motion. Let me, again, my question, and if you could just speak into the mic. It's not whether or not the government supports it.

1:50:59 The agreement indicates that it is transferable or it's not transferable? As far as the language of the actual operating agreement, off the top of my head, I can't indicate to you whether there contains language saying that it's transferable. But whether it did or not, it wasn't necessary for the bankruptcy proceeding. So as part of the bankruptcy proceeding, the contracts were assigned to the purchaser. And as far as whatever the government's position was, the government supported the transfer or the assignment of the operating agreement to the new purchasers.

1:51:41 Very well. And clearly the operating agreement had to have been ratified by the legislature at the time. Correct. So even if it's the government position, then they still have to come back in some way, shape, or form to the legislature for ratification of this transferable agreement that you believe that's in place. Correct? I believe that's disputable. I believe what you had at the time of the bankruptcy proceeding was an active agreement. the way that the bankruptcy proceeding worked is that there was an auction and there was a new purchaser and there were provisions made to make sure that creditors because the government was a creditor at the time were protected those protections were built into the bankruptcy proceeding and the agreement was assigned in the in the assignment of the operating agreement all of the monies that were owed to the government were taken care of the government was protected so As far as whether there could be an argument made that the bankruptcy proceeding didn't have, you know, could not have, or the bankruptcy court could not have authorized the assignment of the agreement without ratification of the legislature, that is not the position of the government because clearly the government agreed to the assignment or allowed the assignment. The bankruptcy proceeding was public.

1:53:07 There was no objection to the operating agreement being assigned. There was notice as far as the potential for the operating agreement being assigned, and no objection was raised. All right. Again, it is disputable, so we will continue to vet that as we move along. Mr. Simmons, you mentioned that, in fact, that there's still some pending payments that is owed to the government of the Virgin Islands. I think you mentioned about June 2021 was the last such payment. Can you tell me what's the amount owed at this point to date?

1:53:44 The amount owed would be the payment that was due September 30th and December 30th, each for \$2,520,548, so that would be \$5,041,096 apparently. Plus the June, plus we're now into June of 2022. Plus, no, yeah, so remember the contract, the contract says that the payment would be based on the volume of refinery operations. So we only had refinery operations for one quarter of the year, but the volume was such that our position is that it exceeded the minimum payment that would have been due for the entire year. But now if you go into the next year, then there is no refinery operations by which to collect. Very well.

1:54:48 Let's move on from there because that's not important at this point. So, well, it is important, but I'm saying that we're more concerned with what's happening now. And I wanted to ask, Mr. Chambers, you mentioned that, in fact, you're the CEO of West Indies Petroleum. Yes, sir. And there was a representation made to the bankruptcy court in regards to both the West Indies Petroleum Limited as well as Port Hamilton at the time that you were negotiating this this deal or for the acquisition of the refinery no sir who was it West Indies solely or West Indies and Port Hamilton it was made very clear to the bankruptcy court that West Indies Petroleum would never in in its dispensation as West Indies Petroleum be an owner of the refinery, that shareholders of West Indies Petroleum would be shareholders of a special purpose vehicle that would become the owner of the refinery. This was discussed with the bankruptcy court.

1:56:10 I'm not sure if it was exactly a public hearing, but there were at least, I don't know, what appeared to be about 150 people present at the time. And I made it as clear as I could make it that West Indies Petroleum itself would never be an owner of the refinery. And ultimately, as is the case, Port Hamilton, the asset was transferred to Port Hamilton, and some of the shareholders of West Indies Petroleum have an equity position in Port Hamilton, but not West Indies Petroleum directly.

1:56:50 Can you indicate to us who is the shareholders of the West Indies Petroleum, Mr. Chair, if I could just conclude on this? You may. If you could just indicate to us who are the shareholders of West Indies, as well as who is the shareholder of Port Hamilton? The shareholders of Port Hamilton, there are several U.S. companies and Mr. Chambers, I'm asking you a straightforward question.

1:57:23 Who are the shareholders? Don't tell me about who are the shareholders? that's a simple question well they're all they're companies uh uh companies who are the companies i'm sorry sir who are the companies can you indicate to us who are the company that make up with hamilton and who are the the companies that make up western the uh petroleum i think that's a very straightforward question uh i suppose it is uh you know there are uh there's a company called uh gtc uh uh and to be honest i mean there are there are several companies uh and um well my time i've been called bring the list of the

company my time i've been called is is obvious that again the same dishonest representation that was made to the court is being made here today i'm sorry sir the same dishonest representation that had been made to the bankruptcy court is being made here today. You simply will ask a simple question, who are the shareholders, who are the companies that make up Port Hamilton? You're going all around the Mayberry Bush in respect to that. Again, I don't understand that, but my time has been called, so thank you for your non-response.

- 1:58:39 If, if. Point of inquiry, Senator Veille, and then go to Senator Francis Heiliger, the Senator been asking. Senator Veille, you recognize? Thank you, Mr. Chair. That's a very basic question that you need to answer, and you should not be trying to recollect in your head as to who are the owners for what is the largest refinery one of the largest refinery in the in the western hemisphere you should know that you you're the main guy for both companies you should be clear as to who are the owners of port hamilton and the people of the virgin islands have a right to know so you need to answer directly and not acting like you can't remember uh respectfully sir i i don't have the the list there's a there there are a number of of companies that if you can recant that it's a sad day we we started wrong i'm happy to provide it i just don't i just don't have it well you need somebody to send it to you and you need to put it on the record in the legislature thank you so much mr chair yes sir i will thank you and that's what i was about to ask if you could provide us with that uh list uh senator francis I look at you recognize your point of interest the chambers to provide us with a listing of all the owners of the refinery Hamilton as well as West Indies petroleum thank you mr. Chambers do you believe we can get that before the hearing concludes I'm sure you have staff monitoring this hearing uh well i'm not sure if i do have staff monitoring the hearing but i can i can try
- 2:00:31 to get it to uh before the end you have staff sitting here with you that can do that follow-up all right but i but i can get i can provide it to the to the uh to the committee uh i'm not sure if i could do it before the end of the hearing but i can certainly get it to you sir thank you uh point of information Senator James thank you mr. chair I highly recommend it just a suggestion to the committee I think we should take our recess to have these guys get these documents it shouldn't take no more than two to five minutes and then we get back on board because we're just having a blind conversation here today thank you mr. chair for the time thank you the you You know, it's my understanding that according to the court order authorizing the sale, West Indies Petroleum and now I suppose Port Hamilton must pay I think somewhere around \$7.5 million debt owed to the government. Who is going to pay this debt?
- 2:01:43 So I think PFA representation said that these are missed payments. Are you responsible, according to the court order, to pay the \$7.5 million owed to the government of the Virgin Islands? My understanding is that because at the moment the refinery is not in operation, that from And the moment that we took it over, that those payments would only become due and payable when the refinery does restart, it's held at the moment. And so the payments that were due before were due, and I believe that what happened is that there was a letter of credit that was in place, and I believe that those payments were called upon by the government through that LC, sir. So you do agree that you would owe this \$7.5 million to the government at the Virgin Islands?
- 2:02:47 No, sir. What I'm saying is that under the bankruptcy, we acquired the entity free and clear of all liens and encumbrances before the point of our acquisition. However, I get the impression that there may be money that was owed to the government before we acquired it. And as far as I'm aware, there's an LC that was in place, and I believe it's being called upon in order to satisfy the amounts that were owed before we acquired it, sir. Okay.
- 2:03:25 I thought I heard my counsel clearly that the company will assume the contract. However, we'll proceed in the essence of time. Senator Giddens, may I complete my response regarding the operating agreement that was posed, the question that was posed by Senator Francis? You may. Section 19.2. I'll put your name and title on the record again, please. Key Walker, General Counsel, PFA.
- 2:03:54 Section 19.2 essentially provides that the operating agreement shall not be assignable except, and it lists certain exceptions, and one of those is an entity that acquires all or substantially all of the refinery operator's business or assets. So the language of the ROA also allows for the assignment of the agreement in a bankruptcy proceeding, or any proceeding that would allow for a new owner to acquire all of the operator's business or assets, and that's what occurred here.
- 2:04:34 Thank you. You know, I don't mean to put my good friend on blast here, but I too would really like to get that list, and I think that you have someone working on your staff sitting right behind, an ABLE individual, if you can let her get that information. She works for one of them, and I'm saying that you can ask her to get that information for us. We'll proceed to Senator Francis Heiliger. You're recognized for your eight minutes. Hi.
- 2:05:13 Good afternoon. well it's we got four minutes before afternoon good morning to my colleagues to the testifiers to the people in this territory and to the staff the first set of questions I just need some clarity on had to do with earlier when

they spoke about the transfer it said the government was fully aware during the bankruptcy proceedings that this transfer was taking place but unfortunately as part of the public as even a senator first term in this 34th how the public seems to have the perception is that this is just something that blindsided the government of the Virgin Islands but based on what you shared I think mr. Chambers is your name yes ma'am you did share that the government was fully aware and on board and co-signed on it could you elaborate a little bit in regards to that I'm not sure I understand a question okay earlier it was shared that the government of the Virgin Islands was aware that this transfer from West Indies to the Hampton organization was transpiring during the bankruptcy proceedings? What I represented was that in my testimony to the bankruptcy court, which is the bankruptcy court in Texas, that to the judge in that court, as part of my testimony, I made it clear then, and I believe there was you know that that there was opposition to us acquiring it through I believe

2:07:09 the St. Croix Energy Group at the time and I made it clear and all of the representatives and attorneys from that group as well as you know there must have been 150 people present it was done by zoom that that West Indies Petroleum that the entity itself would not be part of the as a legal entity not an owner of the refinery that and and and that we would be do you recall if any representatives from the government of the Virgin Islands was there or is was it strictly just those dealing with bankruptcy directly i was just i was testifying uh before the the bankruptcy court in the district of texas thank you um in regards to the refinery there was an issue that happened um in 2021 when it referenced some oil leaks um do you know specifically has that issue been completely resolved it affected some homes etc do you think something like that would happen again what what are you what is your knowledge in regards to that well first of all uh uh we acquired the refinery specifically with uh the uh the view that we will restart the refinery okay and uh uh the most important uh thing for us uh is safety first uh and an environmental uh consciousness. I think that perhaps when those incidents occurred, the state of mind of the people, and I don't know, but I can't speak to exactly what they must have been thinking, But, you know, safety and environmental consciousness, you know, in our view, cannot be about time. You know, we can't operate or restart the refinery thinking that we have to get it done by a certain date. Okay. What drives and will drive our process and is really at the core is safety and environmental responsibility. I'm from Jamaica and I'm a Caribbean person and I have an incredible appreciation for, you know, the environment and its impact on the livelihoods of people.

2:09:57 Okay. Okay. I'm sorry to interject. I only got eight minutes. Oh, I'm sorry. It's okay. What I need to ask, one of the things that was a major issue for our constituents here in the District of St. Croix had to do with issues of damage to their cistern and water when you had eruptions and issues at the refinery previously. What are some of the things do you think that you guys potentially could help alleviate the concerns of the public because they're very fearful that things like that would happen again? We're doing everything that is humanly possible to ensure that nothing like that would ever happen, you know, under our stewardship of the refinery. In order, when we start, I mean, our refineries are pretty complex animal, if you will.

2:10:53 And I think that the refinery might have been operating, you know, in a very sophisticated sort of mode. You know, I think that it was operating in a hydro-skimming mode. The cocoa was being run. And, you know, the EPA did make clear that in order for the refinery to be restarted, that certain things would need to be done in order to protect the people. we intend to restart in a topping mode which is a much more simple mode with way lower levels of risk and even then the most important thing for us is to ensure that we have skilled and qualified operators we're hoping to bring back 170 people to restart the refinery okay many of them are skilled people that are that are here in the Virgin Islands you know and our goal is to restart it in a topping mode which is way more simple than you know this hydroskinning and running the coca and so on. When it comes to the potentially hundred and fifty individuals coming back to the refinery do you have an idea of the salary range for these individuals you know because we know that the refinery had a large economic impact on the territory do you have ideas of the salary ranges and the types of positions that will be offered one minute I'll speak just I mean these are very high-paying jobs and because the vast majority of the of the funding that we're that we're in the process of of raising to restart the refinery is for human capital as opposed to for the kit itself. The kit, you know, we are convinced is an incredible piece of equipment that is ready to run but we want to be careful and it won't be a time-driven process but when we are satisfied that all the operators are there and are adequately trained and that we are capable of starting up in in the topping mode, then we will start up. In terms of salary ranges, perhaps Fermin you could.

2:13:11 Comments from Mr. Chambers, you were asking about the previous incident or not. As you begin to testify, please state your name and title and then proceed with your response. My apologies, Senator. My name is Fermin Rodriguez, I'm representing Paul Hamilton as a family manager. To complement what Mr. Chambers was talking about and to clarify a few items, based on my original testimony, every single piece of equipment that would be on top of operations would be inspected, every condition if you have to do it.

- 2:13:48 Okay, my time is limited. I spoke to salary ranges. You know, I understand what you're saying, but I think my time is almost up. So is there something you could provide through the chair? Do they have an example of the types of jobs and salary ranges that you could provide? I mean, just off the top of my head, I would say it's a difficult question to answer because there are so many different types of people that we would be- And that's why I said, because of time constraints, and you might not have it off the top of your head, the chair if he could provide a listing to us that would be very well i mean it might be i mean we can we can you want a listing of of what the organizational structure is going to look like no in regards you spoke to about you're going to be bringing on about 150 workers a total of a total of 170 yes okay that's what i'm asking you about could you share with us some of those types of jobs what those ranges are etc if you don't have it directly off your head i'm requesting through the chair that that information be provided i i don't have it off the top of my head and i would be happy to provide it thank you very much um did i hear my time was called did it long ago thank you so much i i do apologize but i appreciate mr chair for your your indulgence.
- 2:15:16 Thank you. Not a problem as this is very important to all of us. I need some clarity here. Maybe I can get from Attorney Kee Walker. What's the specified amount ordered by the courts to be paid by whether it's Port Hamilton refining and transportation, West Indies, petroleum to the Virgin Islands government? I'll need to revisit the file that I'm looking at, but it was my understanding that it ranges from somewhere in the tune of \$7.5 million.
- 2:15:54 Correct. There were three defaults. There was a default that occurred prior to the bankruptcy proceeding. When the government sent notice, that's when Lime Tree filed for bankruptcy. As a result of the bankruptcy, there was an automatic stay. Which means that the government could not issue notice of default for the two other defaults that occurred after the bankruptcy proceeding was initiated. At the time that the bankruptcy court approved the sale and transfer of assets and everything else that occurred in a bankruptcy proceeding, there was a \$7.5 million plus that needed to be cured under the refinery operating agreement. That cure occurred through accessing the line of credit that was made available as a financial assurance pursuant to the terms of the operating agreement.
- 2:16:55 So that cure, that 7.5 million, there's not an order that says Port Hamilton pays 7.5 million. The arrangement is that the default and the curing of the default would happen through accessing the line of credit. And I believe that's the steps that we took. And I believe it has been cured. The June payment has been made through the letter of credit.
- 2:17:28 You sent the default notices for the September 2021 and December 2021 payment, but there's a 90-day cure period, so we have to wait the 90 days, I believe, which will be up in August. At that point, we will move on the letter of credit for the draw for that \$5 million plus. So you sent default letters to whom? To Lime Tree. Mr. Chairman? Thank you. If I may? Yes, you may.
- 2:17:58 may uh identify yourself danville walker senior vice president for west indians petroleum i wish to reiterate that west indians petroleum is not liable for any of those payments in no way shape or form for the record thank you i believe uh we're up to uh So, Senator James, before we go to Senator James, let me recognize the presence of Senator Franklin D. Johnson, welcome, and Senator Samuel Carriong, welcome. Senator James, you're recognized for your eight minutes, followed by Senator Potter, then Senator DeGraff.
- 2:18:47 Senator DeGraff Yes, before · good morning, everyone. I just want to make it clear about two to three senators spoke already and we haven't received that list so the clock is ticking and my question was to the new owners what is your relationship with EPA regarding the possible restart or the refinery the reason why I'm asking that I read a letter or some documents saying speaking about a prevention of significant deterioration permit can you elaborate or somebody speak to your relationship with EPA and making sure that we get a PSD permit in order to move forward well obviously in order to restart a refinery we would have to be working very closely with the EPA to get it restarted. It's idled at the moment and the most important thing for us to do is to have the EPA approval to get it done. Whether or not a PSD permit will be required I think is to be determined. But we are working with the EPA. I think that work with the EPA quite regularly we report to the EPA okay let me stop you right there yes sir because another statement made by the EPA they're expecting line shield a new owner to resubmit a proper root cause analysis to identify appropriate corrective actions did anyone submit that root cause analysis to determine even if a PSD permit is needed well of course yes or no question sir your question is has it regarding a root cause analysis to identify appropriate corrective actions please go ahead this is for me Rodriguez this look as analysis that you're talking
- 2:20:47 about is refers to incident that happened on the LBR so poor Hamilton doesn't have that obligation in regard to the PSD permit disappear to permit right now and we have been in communication with EPA for the last months since Port Hamilton initiate the ownership and we have provided the information that they require to evaluate the conditions that the HIFARRA was operating and they know that that's what will determine what additional requirements will be needed but at this time it's not a new PSD permit.

- 2:21:26 When it comes to the root cause analysis, I'm going to read it word for word. EPA expects that Lime Tree or a new owner will resubmit a proper root cause analysis to identify appropriate corrective actions. EPA strongly encourages that the corrective actions be identified and implemented before any refinery restart. So my question regarding the root cause analysis, is that being worked on to determine if a PSD permit is needed and what is the status of that root cause analysis? The root cause analysis was based, if you go on the history on it, on the other conditions associated with the terminal. We are not in the position to talk about the previous owners. That information has been given to EPA and they are in the evaluation.
- 2:22:09 But that root cause analysis is not the trigger point to decide if it is a PST permit or not. That's a true statement that you read, but there's some other conversations with EPA are in place right now that they have the information to maintain the operation with a system PSD permit and additional requirements to be applied to the startup will be considered implemented. I just want to make it clear Rico asks our kind of questions about money and this and that without this root cause analysis this will determine if the refinery will be open or not and I just want to find out what is the future of this refinery to make sure are we gonna have economic development or is it going to be used for other purpose so that's the reason why I'm asking these questions go ahead this is Charles Chambers uh speaking again uh we are moving assiduously towards a restart uh and and we communicate and and maintain an open line with the EPA whatever the EPA ultimately requires in order for us to restart is what we will give the the EPA, there are a number of people and processes in place. We are going to restart the refinery, first of all safely, and second of all in an environmentally conscious way for us and for all of the people of St. Croix, the U.S. Virgin Islands, the Caribbean and the United States.
- 2:23:42 Thank you. environmental assessment when last was an environmental assessment conducted the refinery anyone Well the last assessment that was done was indicated before by the DPNR there was an inspection by DPNR in the last several months but that not a reflection of the key finally it was The terminal because that's the terminal is your operation. What came as a result of that environmental assessment anything that needed to be take any action need to be taken what came out of that environmental assessment regarding the new owners that assessment and that inspection we don't have information on that one that was part of the terminal so it's nothing applied to Port Hamilton and as far as falling into compliance do you have all the resources and all the necessary manpower to make sure that you fall in line with environmental assessment yes or no we have all the resources that we have right now we have a staff of five environmental people all the people in different one right now have 28 years experience or more and we are going line by line of all the environmental requirements to assure that when we start out we start with everything in place and as far as possible environmental damages that you probably inherited as a result of the sale I I don't want to go into much detail I think we should know some of them the damages that was caused what is the strategy moving forward to correct those accident or to correct those on those findings sure I'm not trying I just not trying to understand the question environmental damage was caused based on some reports and some documents that I read I don't want to go in much details
- 2:25:27 as far as environmental assessment with DPR now I just want to make sure as far as corrective actions what steps are being taken because all of this started because of environmental issues and and you inherited some inherited some environmental issues and i just want to know are we getting in compliance to make sure that we have an overall assessment and implementation when it comes to our environment as as an owner and from the top level uh it is absolutely critical that we operate the refinery in a safe and environmentally conscious way not to mention how it is that we want to participate socially with the people and the island of St Croix but safety and environmental responsibility is paramount to us and it is the number one thing not only for us but for any investors or investor groups that we may bring into the fold to get the restart done. It is critical for us that they are like-minded and that this mantra is a part of who we are not just for the restart but for all the years to come.
- 2:26:41 Thank you. I just want to make it clear. I once worked in a refinery straight out of high school so I know the importance of the the refinery but of course the biggest concern here today is the environment and I just want to make sure that we do just that so the people of St. Croix specifically Frederick Stead and the neighboring neighborhoods that they don't be affected and mr. chair if you just ask one last question with your indulgence you may I know based on the agreement there are some obligations to contribute financially to training and what have you but I know the past owners which was Hovensa, they had a great relationship with UVI and the St. Croix educational complex CTECH school. Do you have that same relationship? Are you having those conversations to make sure that if this refinery started that we have individuals like myself who went to the vocational school and can transition into the refinery? And so can you elaborate? Yeah I believe that that under the bankruptcy the training center was actually given to the government in the bankruptcy but we've had and I've started to have conversations where we would like to get that facility rehabilitated their issues with it I believe with but let me just make it clear I'm not talking about a specific facility I was training a facility I'm talking about the same quite vocational school that is across from the University of the Virgin Islands do you have a relationship for them are you having a conversation with the Department of Education or CTECH board to make sure that there's some

relationship moving forward because there was a relationship with the past owners those those those conversations haven't started but the conversation with respect to the training center has started uh and we would really like we we want to uh get the refinery restarted and then to uh uh train people that you know uh crujons uh uh so that they can fill the roles in the refinery uh that that's That makes great sense. I think that Hesse, originally operated as Hesse, had an incredible program for training and having Crujons be an integral part of the property. That is absolutely where we want to go to. I think that our assessment of the globe says that where this refinery its current state or ability to perhaps get into the production of green naphtha and diesel as part of our next phases, that this refinery might be open for another 30, 40 years.

- 2:29:22 I don't want to abuse my time. Thank you, Mr. Chair, for your leniency. Let's talk in more action. And hopefully with President Biden and his mandates, I hope and pray that this refinery do get up and running because it's well needed. Thank you, Mr. Chair, for the time. Thank you, sir. Thank you, Senator James. Let me recognize the presence of non-committee member, Senate Secretary Genevieve Whitaker. Welcome. Before we proceed to the point of inquiry and to Thank you, Senator Potter.
- 2:29:57 Mr. Rodriguez, you spoke to the activities being conducted at the refinery on the property there. You talked about maintaining all idle refinery equipment, coordinating inspections of the equipment, cleaning out units that still contain product left when idle, et cetera. And two more points. Are you selling any equipment from that property?
- 2:30:31 No. Absolutely none? You mean selling equipment? Selling, yes. No. And you have not sold anything either? Not that I'm aware of, no. it uh point of inquiry uh senator francis uh thank you very much mr chair i just wanted to ask mr rodriguez who has been with juvenza um hiss um you also work with lametree yes refinery correct that's correct what is the hindrance in identifying those four additional locations for the monitors could you repeat the question i cannot hear them well what has been the hindrance of identifying the four additional locations for the monitors that was recommended to Lime Tree Bay refinery previously by EPA and also the local government you're talking about the four new location for the monitoring EPA requested a stipulated order to add additional monitoring past the west side of the Gifanari and the north side of the Gifanari.
- 2:31:39 Right now we have immediately the quadrant from north to west from Machu Chal to the track. We're going to go further up by country day and in that same quadrant. So that will be established and installed prior to startup. Thank you, Senator Francis. Now, Senator Potter, Vice-Chair on St. Thomas, you're recognized for your eight minutes.
- 2:32:16 Thank you very much, Mr. Chair. Good afternoon, everyone. Good afternoon to the people of the Virgin Islands. Good afternoon to the testifiers who are here before the committee. I want to start off my question then with Mr. Chambers. I want to say good afternoon to you, Mr. Chambers. We are now made aware today that Port Hamilton refining and transportation, as well as West Indies petroleum, were the winning bidders with regards to the Lime Tree Bay. If both were successful bidders, how did Port Hamilton ultimately receive ownership rights?
- 2:33:02 If you answer that question before, I apologize. Yes, sir. I did answer the question before. It was made crystal clear by me during the bankruptcy proceeding, which was done through the bankruptcy court in Texas, that West Indies Petroleum would not be a direct owner of the refinery, but that shareholders in West Indies Petroleum would have an equity interest in the refinery. And the refinery was ultimately acquired by Port Hamilton. And I'm sorry, I made that, I answered that question earlier and and it was uh asked of me to provide uh uh you know the ownership breakdown of the companies uh that formed uh you know um the ownership of of port hamilton and and i i i said that i would provide it i wasn't sure that i'd be able to provide it before the end of of of these proceedings but i but i'm happy to provide it i appreciate that my my question really was is i'm just trying to understand why would west indies petroleum even bid if it was never the intention to you know to run the refinery i'm just kind of trying to understand well well you know there's a diverse set of people that that that are owners of west indies
- 2:34:54 petroleum and uh uh ultimately uh you know it was this and and and and uh the bankruptcy uh and the process through which we acquired the refinery you know had sort of um you know many twists and turns, including a two-day process for the actual bid. It took two days to complete the actual auction. And so the ownership structure and how it is that we envisioned it at the start changed over the course of time. And ultimately, it was decided that a special purpose vehicle would be required to own the refinery. We made it clear that this would be the case during the bankruptcy. It was accepted as such. And some of the owners of West Indies Petroleum, including myself, are owners of companies that form part of the ownership structure of ultimately Port Hamilton. Everybody that is a non-U.S. body needed to be cleared on something called CFIUS and the Department of Justice. But that's pretty much how it's unfolding. Okay. Thank you. It is my understanding, Mr. Chambers, that Lane Tribate Terminal is currently suing Port Hamilton for a breach of contract, debt, and unjust enrichment.

- 2:36:41 And I just wanted to get some feedback from you as to what is happening here. Is this something that we should be concerned of as you begin in this, you start a process? I'm thinking that you're gonna be relying online tree-based terminal in this process. And if you guys are, if there's an active suit currently going on for a breach of contract, debt, and unjust enrichment, how is this going to impact your ability to reach your, I think you said that the phase one hiring process is around the corner in September.
- 2:37:20 Can you give us any comments, any feedback on that? Yes, sir. First of all, I was advised that anything that I would say with respect to ongoing litigation could potentially impact that litigation and so comment on the actual lawsuit itself. I need to stay away from that. But I can say that we are obviously crystal clear that there needs to be a very good relationship between Lime Tree Bay terminals and Port Hamilton, and we are working towards that. I think that a disagreement about certain things led to that lawsuit, but we're working to resolve it, and I think that and I'd certainly envision a very good relationship between us and Limetree Bay terminals going forward. It's not possible for the refinery to operate without a good relationship with the terminal. It's critical. The two things have to go hand in hand, obviously. So I don't envision there being a problem going forward. And as a matter of fact, as I said, we're working towards it. We're actively working towards resolving the issue outside of the court proceedings. And I think that will be concluded shortly. I'll go further to say that we have engaged in a process that we're on time with towards getting the refinery restarted, and that process involves and includes engaging sort of the international community, the financial community, to capitalize or to raise capital to get the restart done. think that we're quite close to doing that. And once that process is complete, you can expect to see us moving towards a restart in fervour. The primary part of that process being the employment of highly skilled people to come and restart the refinery in a safe environmentally conscious way most important I mean I'm gonna say it many times because it is absolutely critical to us that we operate this refinery in a safe and environmentally conscious way for us and for the people of the Virgin Islands because because there's a unique opportunity for us to do something incredible with this refinery in the short term but because of the unique nature of the refinery for us to operate this refinery for probably 30 to 40 years which is quite different than you know sort of the other refineries that might exist in other places in the world Thank You mr. Chamberlain for your response thank you very much and just following
- 2:40:49 up with that and considering and this is not of your doing of course but considering the extraordinary burden that the residents of St. Croix have had to endure, really from a health and safety perspective. You know, thousands of people literally have gotten sick over the years, you know, from chemical emissions and the like. Will there be an extra effort as you, as the new kid on the block, will Will there be an extra effort on your part for us to have some self-monitoring or some coordinating monitoring with the Department of Planning and Natural Resources? And I'm talking beyond just the regular minimum standards.
- 2:41:39 I think that would excite the people of the Virgin Islands and it would show good faith on your part. We know what we have experienced over the years, and I think that this new start will be an opportunity for us to do things the right way and for the people of the Virgin Islands to have some confidence that you are going to be doing more than just the bare minimum with regards to the monitoring and the safety standards of the new refinery. Are you willing to go beyond the BEM EPA minimum standards? You know, safety of the people that come to work at the refinery every day, knowing that they're going to leave the refinery as good as they came, if not better, is paramount. All the people of the Virgin Islands, the people who are in close proximity to the refinery are incredibly important constituents. Part of the extraordinary opportunity for us is that we got into this refinery at such a low price point.
- 2:43:07 Our assessment says that the refinery was upgraded to be technically a state-of-the-art refinery that has the ability to be run in the best possible conditions, you know, comparative to other refineries. The issues that caused the problem weren't about the refinery itself, but probably about the mindset, I think, of the people who were at the very top. I can say that our mindset, my mindset, is that the standards under which we would operate as it relates to the environment, to safety, to the people who work in the refinery, the people who are directly around the refinery, for our beloved Caribbean and as a global citizen that they will be at the very highest standards and certainly not at the bare minimum standards and and this is I'm part of our little part of our DNA the most important part and we with everybody who has come in contact with us through this process fully understands and appreciates that that is absolutely critical to us and it's not just for the current owners but it's important as we select our partners to help us to go forward? I hope I answered your question.
- 2:44:57 I know my time has been called. I apologize, Mr. Chair. I don't want to abuse my time. Just one final question. Thank you for your response. I just wanted to ask specifically, and I know that we have the capacity to do so now in this era of technology. Would you be willing, Mr. Chambers, to place computers at DPNR that would allow the department to get instant data regarding emissions. I know that it is possible for you to do so and I think we will be comforted if your answer was yes and I'm a little disappointed. I must say that DPNR is not here today and we don't have at least a

representative even via teams to participate in such an important hearing but would you be willing to have the computer system placed in DPNR that will allow the department to get an instant to get instant data instant feedback regarding emissions thank you very much mr. chair you can answer on the chair's time sir this is Fabian Rodriguez if I could complement that right now we have a computer system that indicates all the monitors information in the headquarters on EPA working with DPNR to have that same information at moment notice, that's something that could work out.

2:46:21 So the answer is yes, sir. Thank you, Mr. Dill. Thank you, Senator Potter. Before we move to Senator DeGraff, I want to go back to you, Mr. Rodriguez. I did ask if you were selling any equipment there based on the activities being conducted that you spoke about at the property. let me let me ask you uh who exactly is the uh port hamilton point person on the ground uh i have been appointed to be the point person in port hamilton on the ground uh two weeks ago say that again i have been appointed to be the person representing port hamilton here i was appointed to be the family manager two weeks ago two weeks ago uh so who was the representative before you that was near morgan uh he retired and is so you have no knowledge of any sale of equipment because i'm looking at a document where you all are selling uh port hamilton refining and transportation llp located in christian said virgin islands United States that you're selling a catalyst. May I comment on that, sir?

2:47:41 Let me hear from the point person on the ground first. At one point in time, it was indicated that the catalyst and the platformer was going to be used as a collateral for a loan. That was an evaluation that was done. It was not intended to sell it. But there was a lot of comments back and forth that is sold sold or uses as a collateral, but it is in the refinery, had not been sold, and there's no plans to be sold.

2:48:12 And is this equipment, would this equipment be needed for the start-up of the refinery? No, the unit that's gonna have the catalyst, which is not equipment, it's just a catalyst that goes inside equipment, will not be used for the topping operation at this time. Okay, I apologize, but I'm not, I didn't understand. May I comment, sir? You may. This is Charles Chambers from Port Hamilton, sir. The intention is to restart the refinery in the topping mode. I'm not sure if you're aware, but the refinery has two wings, if you will, one of which is technically obsolete, and there could be in the future equipment that is unnecessary, not needed to run the refinery and our operations that may have value that we could realize, in which case we could sell that equipment. And we did conduct as part of the process to bring these investors into the fold an assessment of what is the value, the potential value.

2:49:39 But it is absolutely the potential value of all of the equipment, but especially equipment that would not be necessary for us to execute our plan to restart and run the refinery. So we did an assessment. But we have not, since Port Hamilton has taken over the refinery, not one piece of equipment has been sold. Sorry, sir.

2:50:12 Concluded? Yes, sir. Thank you. Point of inquiry, Senator Veilley. Then we're going to Senator DeGraff. Thank you, Mr. Chair. You said since Port Aventura have taken over the refinery, and that date is what, in your mind? The 23rd of January, sir. OK, so you have not sold any catalysts? No, sir. OK, thank you. Point of inquiry, and then we're going to Senator De Graaf. Point of inquiry, Senator Johnson. Good afternoon there to all.

2:50:46 Good afternoon to all the testifiers. I'm still in line with that line of questioning. Is it your intention to scrap and sell the metal from the oil part of the refinery in order to obtain finances to start the rebuild and start the process of the new part? I think that it would be practical if there is equipment there that has value that will not be used in our operation of the refinery, that we would realize the value while it still has value, that value potentially being scrapped. That being said, I don't think it's as easy as just going to scrap it because the scrap value itself is really not significant and the cost to potentially go and scrap it and ship it is more or less the cost that you would receive from scrap itself. So that's going to scrap it per se is not necessarily what we would do. But I think that if there is equipment that is not necessary, that we're not going to use in either phase one or phase two or phase three of the restart and sort of operation of the refinery, that it would be practical from a business sense to dispose of that equipment.

2:52:18 Thank you very much. Thank you very much, Mr. Chair. Thank you. Senator DeGraff, you recognize for your eight minutes. thank you mr. check good afternoon colleagues good afternoon testifiers of you and listen I'm present for the record I didn't I didn't vote for the refinery I voted no back in when I put down a record out front so you know I stand and my main issue was the safety to the people of St. Croix and the territory I didn't believe that that was taken into consideration the great jobs the boost to the economy yes yes but at the risk of the safety to the people to me is not not even close that's number one I recall attorney Walker the refinery once it was sold the government was supposed to get it was either 10 million or 10% of the sale I may be wrong I don't remember the specifics but could you elaborate on that for me you go home my time please hold the senator's time while live for the information good afternoon it's nathan simmons senator you are asking about when lime tree um when lime tree bought the facility there was a clause that once they sell it was supposed to get 10 million or 10 percent of the sale or something like that

- 2:54:03 when if lime tree sold the refinery he sold the refinery correct you you have that okay we can look for that and uh check into that after now okay what what what seemed i i've been sitting down here listening what seemed to be confusing to me and maybe to the people maybe it's only me how much people own a refinery how much entities own this refinery and who has the responsibility in the event of something happens we have Port Hamilton West Indies to only Port Hamilton owns but the representative of Port Hamilton you doing all the talking CEO chambers for West Indies okay I mean that's what seems I just try and get a link that what we have now so we could know who has a responsibility so So, only one entity actually owns the refinery, which is Port Hamilton.
- 2:55:06 Port Hamilton owns it. Port Hamilton is the owner of the refinery, sir. Good. Yes, sir. West Indies runs it. West Indies has no ownership in the refinery. There are shareholders in common between West Indies and Port Hamilton. And as I said earlier, I don't have it what that shareholder breakdown is, but I will provide it. Right, but with all due respect, like I said, then Mr. Rodriguez is who he is and he needs to be hearing from.
- 2:55:41 How come you are the spokesperson today? I ain't trying to be facetious in any way, making fun of any. any I'm just trying to figure out how come you are the spokesperson for today's hearing in regards to the refinery well well sir I understand the importance of the refinery to the people of st. Croix and the US Virgin Islands the significance of the size of the asset and its impact on the economy and the lives of the people here for many years going past. And because of my connection to the ownership of uh port hamilton uh and and this being my first uh venture into uh into uh saint croix uh when it when we were invited uh excuse me you're going to i i i got eight minutes when i need a short version we we were invited do you question do you speak on behalf of port hamilton yes sir you do yes sir do you bear any responsibility that may happen on behalf of port hamilton who does the government of the vernon whole label we hold west india the port hamilton uh not west india's petroleum is not an owner in in in in the refinery so it's port hamilton right and i'm an owner in port hamilton yes sir your owner in port hamilton
- 2:57:28 yes sir okay okay so that that seems to be the confusion but your owner in port hamilton i'm an owner of port hamilton yes sir you are one of the owners of port hamilton yes sir okay now we're coming a little better so you're one of the owners but you also have west indies which is another company west indies petroleum is a completely separate entity that but it's completely and your part your own in that one too yes sir okay okay and that's all i try to get cleared up your owner in both and you're the ceo for port hamilton or west indies west indies petroleum sir okay and what's your title and position in port hamilton other than owner that's that's my title just principle yes sir okay okay okay see we're getting somewhere that's what i try and figure out now when the refinery was looking to restart they were looking into a timeline i think in 2020 we had a specific type of fuel oil for ships that refinery was trying to lock into that particular date and get that particular type of fuel oil uh is has that window closed for that particular type of fuel oil we are trying to i think in 2020 no sir it has not the window has not closed oh sir um what is the the window for getting the refinery up and going in respect to that particular type of fuel oil the timeline for the reopening of the refineries when we have uh all the skilled operators who are adequately trained uh to operate the refinery in a safe and environmentally uh responsible way uh and everything not to cut you out but you come to the right place st greg adam st greg i'm incredibly happy to be here sir okay um
- 2:59:15 Um, again, St. Croix, I have the people with the knowledge to run this refinery. Now, one of the main problems I had was, Lime Free Bay was self-monitoring. Self-monitoring sounds to me like a very bad idea. Very, very bad. Are you going to be self-monitoring? When the refinery opens? Mr. Romero. Is there yes or no? Yeah. Mr. Rodriguez, are you the expert? Yes or no? When you're talking about self-monitoring, you talk about air monitoring, is that what you're talking about?
- 2:59:49 Well, that was the terminology you, most air and everything else, correct. Okay. The answer is no. We're going to have all these monitors that are linked right now with EPA and will be linked with the DPR, so it will be a constant monitoring. How many monitors do we have in place right now? Right now we have five. Five in place. Outside the Gifanari and we have nine at the perimeter fence. okay and five operational all operational operational all monitored by epa yes and they're linked with epa okay good the disbursements that they had prior to you taking over during lime shiba time and the cleanups for the people of st croix uh are you responsible for finalizing those cleanups and monitor uh being apart or you have no responsibility toward that legally we're not sir legally don't okay okay so in terms of where attorney Walker you are talking about say the contract transferring to Port Hamilton so the track the contract has transferred to Port Hamilton okay okay so with a transferring to Port Hamilton doesn't any responsibility for the cleanup and processes I do apologize for pointing does a cleanup processes and those things regarding what happened during Lime Tree Bay time is Port Hamilton responsible for that for those I don't recall seeing that language in the order it's my understanding that Lime Tree is still handling that but I I would need to confirm that you need to defer it you said I would need to

- 3:01:35 confirm confirm okay so so just in closing mr. chair so again so Lymetree Bay still has a part of Lymetree Lymetree is the terminal operator right right they're the terminal operator which is separate from the fuel bunkering correct correct you guys for the refinery a fuel bunker or the terminal end of the fuel bunkering? West Indies Petroleum, which is a Jamaican company, is involved in the business of supplying fuel to ships, which is an activity that is called bunkering. West Indies Petroleum is not an owner, sir, of Port Hamilton, but as CEO and an owner of West Indies Petroleum, I also happen to be an owner of Port Hamilton, which is a refinery. Okay, so just in closing, Mr. Chair, then if you're bunkering and the terminal does the same operation?
- 3:02:39 No. Separate operations. It is twisting. One second. Stop. Yeah. It is twisting. Everybody, everybody, stop. It is. I ask that once a response is being made that you identify yourself with the entity. And that's because the stenographer is on the other end. I just want to make sure that our record is clear. And senators and testifiers, I'm not rushing going anywhere. So please, one at a time. That's how you rush it, yeah.
- 3:03:10 My apologies. Key Walker, general counsel to the PFA. Lime Tree is the terminal operator and remains the terminal operator. Port Hamilton is now the refinery operator. so the storage and bunkering is lime tree the the refinery is port hamilton i in just including i i'm aware of it i'm just saying now how what's being explained and you throw west indian into the mix it it caused a whole bundle of wax but again i i do i appreciate the time my time has been called thank you for the time mr chair thank you uh Senator DeGraff, Commissioner Evangelista. Good afternoon, Senators Richard Evangelista, Commissioner of Department of Licensing and Consumer Affairs. As the agency that issues the business licenses, I'd just like to correct for the record as we move forward that Lime Tree Bay Terminals operates the terminal, not Lime Tree, so that the record is clear. Lime Tree Bay refining that used to operate the refinery is now operated and licensed to Port Hamilton.
- 3:04:21 Thank you. You're welcome. And that's exactly where I was going to go back to, because that's been creating some community confusion as to who owns what, who is the actual owner, et cetera. So we're talking Port Hamilton refining and transportation, and we're talking West Indies, petroleum. So, who is actually licensed by you, Commissioner Evangelista of DLCA in the U.S. Virgin Islands is Port Hamilton? Yes, Senator. Port Hamilton, Refining and Transportation, LLLP, is the business owner for the refinery. So, my question to the gentleman here, whenever we Google or try to find information on Port Hamilton it most likely takes us over to West Indies. Why is this? Can anyone tell us? I don't know. I don't necessarily understand the way that Google operates, sir. Is one of these companies being used as a special purpose vehicle?
- 3:05:39 Port Hamilton was created as a special purpose vehicle to acquire the refinery, sir, through the bankruptcy. So that's where it is, so then Port Hamilton is the SPV? Yes, sir. OK. Senator Vialli, you're recognized for your eight minutes. Thank you, Mr. Chair. Who is the CEO of Port Hamilton? There's no CEO of Port Hamilton, sir, at the moment.
- 3:06:21 You said you're the owner. So who runs and makes all the decisions for Port Hamilton? Well, I'm one of the people who makes the decisions. We're talking about the restart of a billion-dollar facility. Who is the person in charge of Port Hamilton in reference to the restart of the refinery? The responsible officer for the refinery is Mr. Rodriguez, who is here in his capacity Who does Mr. Rodriguez report to? Mr. Rodriguez would report to the two managers.
- 3:07:14 Mr. Rodriguez, who do you report to? I report to Mr. Chambers and Mr. Dave Roberts. Who was the point person before you? The point person here was Neil Morgan. So you're familiar with Mr. Neal Morgan, Mr. Chambers? Yes, sir, I am. And Mr. Neal Morgan never told you that he received a letter from the EPA in reference to that root cause analysis? He never had that discussion with you of the letter he received in January? No, sir. I'm aware of the-
- 3:07:45 You're aware of the letter from the EPA? Yes, sir. To Katrin Elisi and Neal Morgan, you're aware of the letter? Yes, sir. and you're aware that in the letter they said that Liontree or whoever attempts to restart need a root cause analysis. Are you aware of that? Yes, sir. So have you responded with a root cause analysis as requested by the EPA? This is Fermin Rodriguez from PHRT.
- 3:08:17 That letter was issued to Neil Morgan and Kathleen Elyse that you said. That's the same letter that Senator James was referring to. yes that root cause analysis was associated with uh incident that happened i know what it's associated with that they're saying hold on hold on hold on because we we're spinning wheels no no we know what took place and the epa clearly said before you try to restart that particular unit with that particular flare you need a root cause analysis and i'm asking a simple question was it done they sent a letter in January stating that whoever attempts to restart the unit you need a root cause analysis I'm asking if it's done you're saying it was lime tree was this or that if the unit is still there it doesn't make a difference who's the owner it doesn't make a difference has it been done or are you attempting to do a root cause analysis based on what we discussed if I I have one minute.

- 3:09:17 That root cause analysis was with operation in the terminal. That's not part of the responsibility of the LBR or Port Hamilton. They have to answer that question. What mishap did we have with the terminal? What was a mishap with the terminal that we needed a root cause analysis for the terminal? Did EPA request or require a root cause analysis for the FLIR?
- 3:09:46 The letter that you were referring to doesn't have anything to do with the flare. I'll ask again, have they, in any documentation or any conversation, absent a letter, asked for root cause analysis of the flare and what took place with the mishap that caused the refinery to close? Those answers were given by LBR to EPA.
- 3:10:15 No, but you have it now. You're trying to restart. No. Have you requested a transfer of the LBR permits to Port Hamilton? I don't understand what you said. The permits, EPA permits, that were granted to Lime Tree Bay Refining, have you requested that those permits be transferred to Port Hamilton, or are you applying for new permits? Those permits are in effect, and by now we are in the process of providing information to EPA to see the permits required to be complemented.
- 3:10:55 And EPA have said that they have not made a determination as to whether or not they're going to transfer the permits or they're going to request new permits? No, the permits are there. They have not indicated that they were transferred or they pulled permits. So have you written documentation to EPA to transfer the permits to Port Hamilton? We provided information to EPA for them to evaluate the permits. We don't go to EPA to request permits transfers. That was part of the bankruptcy transfer on the titles.
- 3:11:30 And EPA said that they are not sure if they are respecting any part of any bankruptcy proceeding in reference to transfer of permits. I have to... we were engaging Department of Justice I mean that I read the whole conversation I can you three people you say about the department let me come out for that question do you said the first phase is what 170 employees yes sir and in order to get the plant up and running how many individuals you need that's we will ramp up to 170 employees in order to get the first phase going sir which 170 employees to get the unit restarted one of the units you started yeah the first phase stopping operation would be 173 operators now which unit you're trying to result that would be there for the crew unit and the associated equipment which is a fraction of the entire configuration that LBR had before now how long you've been there miss a How long have you been with Limetree and Hovenssa and Hovic?
- 3:12:35 Thirty-four years. How much? Thirty-four years. And you believe that 117 individuals could run a unit? The answer is yes. The configuration that we have for now is a fraction of what was LBR, and LBR was a fraction of the entire Hifanary. LBR had at one point over 3,000 employees when they were restarting the unit down to 1,000 and it wasn't successful. And we think we could do it to 170 employees. The amount of people that you are referring to was for the construction and the configuration was not the operation. The one that we're referring to at 173 is just for the operation of the system. prior to that one there will be some more people to do the inspection and potential repairs and condition the units to operate the refinery but for operation itself 173 people the terminal has over 600 employees and they're bunkering fuel are you telling me a refinery you're going to have 170 look again nickel and diamond in the whole situation it look like is a serious nickel and dime that you're doing. Do you have investors? Do you have potential talks? Do you expect to close when? I'm sorry, what was the last pass? Do you have investors? Are you close to finalizing a deal? Yes, sir. And, you know, I mean, on the contrary, there's certainly no nickel and diming. I think that... That's your perspective. I'm telling you, what's my perspective? I don't see 170. I'm not going to i'm not going to agree with that i don't even know who are the owners so i can't agree do you have local ownership in the ownership group from st croix sir from the virgin islands no sir the person that was affiliated where excel is no longer with the group he's not from the virgin island sir yes his name is is a company based in the virgin islands no sir is excel operating in
- 3:14:37 the virgin islands uh i believe they may be operating in the virgin islands they may have in the past sir certainly with respect to this refinery but but but that doesn't make them a local sir as far as is Excel in the plant mr. Rodriguez I still have some employees in the plan up to a separate a month ago so the owner of Excel is a part of your ownership group yes sir is there anyone else that has a business in the Virgin Islands as a part of your ownership group that lives outside of the territory can you repeat that lives inside of the territory no has a business inside of the territory but could live outside of the territory not not to the best of my knowledge sir no the last time you spoke to DPNR was February why is there a reluctance to continue to have discussions with DPNR as to your possible start-up and the progress you're making and to lay out a plan have you submitted a plan to DPNR as to the possible result of the refinery I'll hear from me Rodriguez again and there's no reluctance in talking with DPNR we talk with DPNR and we submit the permits that we need to submit to them at this time we are a conversation with EPA on a constant basis as a matter of fact we talk with them every two weeks and DPNR is part of that conversation DPNR letter from the Commissioner since this February correspondence we have not received any information from port hamilton or the epa regarding the resumption of refining operations so that's from february that's a correct statement that's say that again that's a correct statement there's no formal

correspondence between but there's

- 3:16:27 communication with them and i'm asking the question as to why are you not keeping dpnr which is a local regulatory entity, in the loop as to what is going on? They're in the loop. If there's no formal documentation in regard to what we're doing, the reason for that one is that the HIFINAR is idle and there have not been no changes in the HIFINAR. The activities that DPR is looking at the HIFINAR right now is associated with the terminal, and that's why they did some inspections over the last several months. Have you been notified that you might need to apply for a water pollution control permit, a new one?
- 3:17:10 That's part of the work that has been done at this time. And that's with DPNR? Yes. But you have not had that conversation with DPNR? That's a permit. There's a joint permit between terminal and FDR. By now, we're in the process of looking at that document to submit to DPNR. Title V permit. Have you applied for that from DPNR? That's a title that's existing right now and it's been looked at as we speak. Mr. Chair, my time has been called, it's hard for me to believe that we have been a conversation here absent knowing who owns a refinery or who's an ownership group. You must know who are the members of the SPV, et cetera, and I don't know why there's a reluctance. all right i didn't ask you an answer on that particular point you have litigation where live to be terminal because you want pain it's as simple you make you did not make payment so the terminated it terminated the shared agreement that you had because you were not paying you're saying that you're going to be able to settle because you're expecting to get an investor and then make payment but the port hamilton is literally broke because you can't make the monthly payment or the quarterly payment i think is monthly for the shared agreement you made one or two and then you stop why haven't you made the payment for the shared agreement that you sign what's the reason uh well uh this is charles chambers here speaking sir uh i don't believe that information as is accurate have you made payment on the shared agreement that was agreed to by Port Hamilton and Lime Tribate Terminal. Have you made good on those payments?
- 3:19:01 As I said, I think that the matter is in... I didn't ask you if it's in court. I asked you, did you pay them? That's why I asked you. I understand, sir. The matter is before the court. Because you did not pay. They filed a case to get payment. people get people sue other people for all kinds of things every day and and people try to hide stuff and it's on the litigation and I can't talk I'm sorry sir people try to hide stuff by saying it's on the litigation so I can't speak but I actually a direct question do you have outstanding payment and that is shared agreement that was agreed to by Port Hamilton and Lime Tree Bay terminal and the answer is yes we got to get the code document to say that that's what Is there a question? I'm not sure, sir.
- 3:19:53 Thank you, Mr. Zhu. Thank you. You know, when playing in the sandbox, we need to know who we're playing with. And I'm still hopeful that we'll be able to get the listing. I think the question was asked about Excel when I stepped away. Was that answered? What is your relationship with Excel? The principle of Excel, Mr. David Roberts, is also a principle of Port Hamilton, sir.
- 3:20:39 And what's your relationship with Cygnus Capital, and where are they? Cygnus is a Jamaican, let's call them boutique investment bank, that acts on behalf of West Indies Petroleum, and we're associated with them in Jamaica. And is Luke Oil one of your investors? No, sir.
- 3:21:13 So do you have a relationship with this company at all? Does Port Hamilton have a relationship with Luke Oil? Yes. No, sir. OK. Next, Senator Johnson, you're recognised for your eight minutes. Good afternoon, thank you very much Mr. Chair, good afternoon to my colleagues and good afternoon to the viewing listening audience, and good afternoon to the testifiers. Good afternoon, good afternoon.
- 3:21:48 I came in here late today because I had some previous engagements and I'm a non-committee member, but I live in Frederickstead. And I happen to be one of those persons who was affected by all of that contamination. Mr. Rodriguez, you happen to have been there when that flame, that torch, ex? Yes, sir. Okay. Well, I'm one of the persons that suffered a lot from it. And I'm not comfortable today listening to the answers that my colleagues are getting here. I'm not comfortable. island might be small and quiet but trust me the people of this island doesn't take much they don't and as we speak here I continue to be hearing you mr. Chambers continuously repeating about operating in a safe environment and it's good hearing that but it won't take a lot more convincing for the people at this island, especially the people of Frederickstead, who suffer most of that contamination dropping on the roof. It's not settled yet with them. As you know, Lime Tree is still giving out water.
- 3:23:07 That's not settled yet. And I don't know how, where, and when you intend to. But I think in your statement, you said by the second quarter of next year you intend to start up the refinery? Yes, sir. And I'm hearing my colleagues going back and forth. Do you guys report to EPA at this moment? Yes, sir. When was the last time you reported to them? Do you have reports? The last report that was issued to them was several weeks ago.

- 3:23:40 Through the chair, can we get copies of the reports that was issued to EPA? Through the chair, may I? Mr. Chair? So we're asking for you to submit those reports that you've been getting from EPA reporting to the committee. You're working on acquiring location for four outside monitors. What's the status on that at this time? At this time we are leasing the properties and we have ordered the equipment that's It's going to be installed and it's going to be installed in function prior to start up. May I ask where are those four locations that you intend to put these four new monitors? One is west of the Gifanalay by Williams Delight.
- 3:24:31 Williams Delight, yeah. The other one is between Bombayu and Country Day. The other one is by the Scenic Route. By where? By where? The Scenic Route north. Scenic Route north? Yeah. And the other one is by somewhere in the vicinity of the Vocational Complex under UBI. Nothing farther than Williams Delight, West Park Williams Delight? There's one that covers Williams Delight.
- 3:25:02 Thank you very much. And Mr. Chambers, you said that you're the largest shareholder for Hamilton? I'm part of a company that is the largest shareholder in Portland. So what's the percentage of that company that owns the largest percentage? What's your percent? I believe it's 42%, I believe, sir.
- 3:25:36 So then if you're the largest and you're holding 42%, the next, what, 58% is breaking up in many small pieces? Not many, but it's broken up. But if you had two, well, if it were divided in two, let's say, for instance, Well, you know if it is two, three, or four, how many is it? I believe it is, I don't remember, five, I think, five. I believe it's five, sir. You're in business and you don't know who you're in business with?
- 3:26:11 Remember as well, sir, that, yes, we're in business, but remember that we're going through a process to raise the capital in order to get the refinery restarted. There are going to be other owners in the refinery other than the ones that exist at the moment. So the next 58% is pretty much not secure if you're starting to look for investors then. So you pretty much own the whole thing. I don't follow the logic, sir. Please. You say you have 42%, right? Yes, sir. So out of 100%.
- 3:26:41 Yes, sir. So who owns the next 58? If it's not four, it's five other companies, sir. Who are these companies? I will provide that You're asking me for I told you I'll provide the names of the companies I will, I don't think I'll be able to do it Before the end of the ceremony Five companies you don't know? Of course we know who they are But you're asking me what they are Who are the five companies? For instance Mr. Roberts' company I genuinely don't remember The name of the company I just don't know it But I'll provide it I'm happy to provide it You know, I think I started out saying to you, right, that I'm one of the Paul Sins that suffered from all of that emission that traveled to Frederic Stead. And I started by saying to you that the people who suffer most of it is on the western and northwestern part of the island. I think I started out saying that. Yes, sir. And if you're not going to, if you're going to come here and don't have the answers for companies that are going to be a part of this startup, of this refinery. That's not a good start. It's not a good start, at least not for me.
- 3:27:54 I am not satisfied with what I'm continuously hearing today here. A lot of questions are going unanswered. And now we speak about, how many people are in the refinery right now working? That's 42 people. 42. And how soon do you intend to ramp up to that 170? We're going to start hiring some people. You might need to put your name on the record, please recall for the report, I'm sorry. My apologies, if I've been Rodriguez-Paul Hamilton, we'll start ramping up some more in September.
- 3:28:24 You're planning to ramp up to more by September? Yes. Yes, sir. And those people will be actually hired by Hamilton? That would be hired by Paul Hamilton. Have you been interviewing people on the island? One of the people that we have in the Gifana, they're all from St. Croix. the job descriptions and whatnot for the operators that are needed are being reviewed by now to make sure that we attract the people that have the skills for it. We are gonna be contacting first the people that have families in here to bring them back, and then the balance will be from some other place.
- 3:29:04 All right, on March 2nd, 2022, the Department of Justice and EPA transmitted a letter, and I think this is a letter we keep going back and forth, summarizing a number of requirements that needs to be met before the refinery starts. Have you guys submit any of those requirements or meet those requirements? Have you met them? The letter that you're referring to, my apologies for me, Rodriguez, again. The requirements and information that they requested have been gathered and is in the process to be submitted to EPA by next week.
- 3:29:38 Again, through the Chair, Mr. Chair, when this letter is submitted, I would appreciate that letter is shared with the legislature so that we can keep our top on what's going on because it's going to be very important if you guys are going to be moving forward and you know all of us like to talk about job and i like to hear job but one of the richest neighborhood in the virgin islands was kelton was one of the first rich neighborhood was kelton was a condominium was a hotel it was a golf course and the minute the refinery opened everybody that doesn't look like me or any of us inside here sold their property and moved to the eastern part of the island they had a lot of knowledge of the damages that comes from a refinery that hotel was closed since the gulf coast is not in operation and a very small small portion of the condominium

is in operation but it was the first big rich neighborhood on this island you couldn't purchase less than two acres of land to build your house on and those kind of guidelines still exist in calton but today nobody looks like none of us live in that era because of the refinery and come back to today now me and my family and the rest of the people who live on that western and northwestern part of the refinery has continued to suffer from this type of fog, chemical waste, refinery not prepared to open and forcing the issue.

3:31:14 And from listening to you guys, you seem like you're going to look to go down the same track based on the pace that you're trying to open up. And I'm urging you, I'm urging you, please, let's not go through this again. Let's not go through this again. That's all I can say to you but because the time frame that you guys are giving here to me I don't I've never worked in the refinery but the time frame that you're talking about I think we're looking to rush the brush and I sure don't want to give a dab with chemical on my roof again no to the rest of the people on the island of St. Croix thank you very much Mr. Cheer thank you done something you just said I wanted to go on but um let me ask though Mr. Rodriguez how many employees is it you currently have on the ground now employed why now we have a group of 42 people the funnery side also with an operation 42 people here on St. Croix yes sir uh local or or folks that you brought in uh the majority of those people I would say 75 percent if not more uh are people residents of the Virgin Island for more than 30 years okay thank you uh senator Carrion you're recognized for your eight minutes Thank you, and good afternoon, Mr. Chair, good afternoon to my colleagues, and good afternoon to the testifiers this afternoon. Good afternoon. There is a bit of unanswered questions here today.

3:33:04 hopefully we get some answers continue getting some answers let me see where to start I think one area of concern for me is with the consent decree Mr. Simon good afternoon to you sir you stated in your testimony of the role of the PFA you monitored the bankruptcy proceedings and and you are responsible for the compliance portion of it do you have any concerns after monitoring the bankers proceeding do you have any concerns at all with the process good afternoon Nathan Simmons let me just clarify we we monitor the compliance with the agreements on behalf of the government correct monitoring of the bankruptcy proceedings has been done through the government's legal counsel and they provide us with information but we're not actually sitting there doing the monitoring but attorney Walker can give more clarity in terms of the bankruptcy proceedings and exactly how that has impacted on the government attorney Walker um from the government's position since you represent you've been monitoring are there any concerns of the whole proceeding process what's the government position as to the new owners and this transition I can only speak for for the PFA, I can't speak for the entire government or any other agencies or departments.

3:34:57 The bankruptcy proceeding was conducted pursuant to bankruptcy procedures. The particular bankruptcy judge in this proceeding is very knowledgeable and well respected. There is nothing that I observed in a proceeding that was unusual or gave me any cause for concern from a legal perspective. And with regards to the Clean Air Act consent decree that has been modified from one owner to the next and now we have a new owner.

3:35:38 What happens now with regards to that from your point of view and your knowledge? The consent decree is still in place. The refinery is still in shutdown. The Port Hamilton would have to do whatever it needs to do with the EPA to persuade or to assure the EPA that the refinery would operate in a safe manner. to be allowed to restart. So that's an entire process. The EPA is represented by the Department of Justice. I know that they are also actively monitoring everything that is happening. And I feel comfortable to say that with that level of monitoring, that when the refinery restarts, it would be restarting in a safe manner because they would have to convince the EPA that it would operate in a safe manner.

3:36:42 Well, thank you for sharing that. Now, from the letter that was presented by, and read into the record by the Commissioner of the Department of Planning and Natural Resource, there seemed to be a lack of communication between the new owners and the department. Mr. Rodriguez, I think a fellow colleague was questioning previously in regards to that. Why is the lack of communication with the department, the local department, that has the responsibility to be able to monitor the refinery and it's?

3:37:24 again for me Rodriguez from PHRT really there's no lack of communication by now the HIFAR is in idle condition and had not changed there's no operational items right now we keep monitoring the units all the monitors that we have for now their information gets to EPA that information is gathered from EPA to DPNR If we had to establish a direct transfer to them, we could do that.

3:37:59 Is there any hesitation, or let me word the question this way, is Port Hamilton and Transportation willing to link a DPNR just as EPA is linked on the monorams? Absolutely, yes. Okay. Will you do so? Yes, sir. Now, in the commissioners, you said DPNR has not received any correspondence from Port Hamilton Refinery and Transportation, LLP, with respect to the plan outlining the steps that will be taken to resume those activities. That's with the refining operation. What's the status on that? And why hasn't the Department of Planning and Natural Resources received the plan outline regards your restarting the plan that was outlined was issued last year and it was make it public to everybody that plan has not changed

and it will change when we get the funding to start inspection and we're not so it's your position i'm sorry to interrupt you your is your position that the same plan that lime tree bay refining had is the same plan that you will use to restart all up to the point of preserve the unit in a safe condition once we define the actual engineering or not that plan will be modified at that time will be published so there is a modification to the plan that has to be submitted there will be a modification to the plan because we are going to be opening all the equipment for inspection and uh he commissioned it so yes will be one but that's that modification been done yet or was that the modification has it done been done yet or not not been done yet okay have you copied DPNR with notice and documentation that you have sent to EPA a lot of documentation have been sent to

3:39:56 EPA at cannot recall which one and with the new and improved technologies or policies or what new improved technology and policies will you implement in order to assure the health and safety of the residents in St. Croix as you know you worked in Lime Tree Bay Refinery and also Hovensa and Hess so you're very familiar with the territory here and you know what happened so what modifications will you guys implement to assure the residents of the Virgin Island especially St. Croix I should say and the people of Frederick said that suffered the consequences of the incident that happened. What will Port Hamilton do differently? Well what's gonna be different is that every single procedure that we have on safety environmental mechanical are being interviewed right now and different than what we have before we're gonna be training every single operator regardless of level of experience on a computer simulator simulating any potential upsets in the Hibana. And all the units will be operated or start up one at a time, not as a block, to have control of any potential flatterring activities or any upset. In addition to that one, all the environmental parameters and limits that have been established by the regulations are embedded into the procedures at a lower limit, about 50% lower than the emission limits to take action prior to reaching that limit.

3:41:33 Mr. Chair, if I may, compared to- You may. Thank you. Compared to the operations that were carried out by Lime Tree Bay, what percentage of refining will Port Hamilton have? let me see if i could word my question for example if uh if uh lime tree bay was operating at a hundred percent um you've been you know the ceo mentioned about the type of refining topping right that you mentioned so you won't go into the full refining and you would just provide certain fuels so what percentage of the operation will port hamilton have at this time would be about 30 30 percent of operation and currently you have local virgin elders that are working yes and just lastly with regards to workforce here in the territory what conversations if any have you been having maybe with Department of Labor or any of our technical schools to ensure that our workforce is prepared for the restart and operation of the refinery we want to ensure that if and when the refinery opens it opens of course in a safety manner health and safety should be first but then what assurance is the company doing to provide or open opportunities for local Virgin Islanders the intent is to give opportunity to everybody being here for 34 years it's really important for this operation to succeed that we have experienced people at this time we have some requirements that need to be seven to ten years experience on refining

3:43:27 operations and from there we could mentor and educate other people but we cannot start the refinery with rookie we cannot we cannot start the refinery with personnel they have one or two years experience on this business so we're looking at the higher standard for dangerous experience on this type of operation in order to be successful for everybody and just if I may just the last question Port Hamilton within your portfolio have you owned or operated a refinery before that question directed to me sir for Hamilton and transportation right no it's just that for me in Rodriguez you know is also with Port Hamilton so I wasn't so the question directed at me sir I we port port Hamilton itself is obviously a new company, and at the moment, I mean, there's obviously a team that, as Mr. Rodriguez said, you know, I think there are 42 people, I think he said the minimum number of years experience, 28 years that are at the refinery at the moment, And, you know, I mentioned that we are seeking to capitalize the entity in order to get restarted. And the part, you know, the people that we're discussing with have refining experience, global refining experience, and have been in the business for, you know, a long time. And there's a process that's going on, and we're looking for people that, you know, share our belief that the most important feature of running refinery has to be the safety and the environmental considerations.

3:45:34 First of all, people with refining experience and experience in the industry are sort of secondary. Thank you. Through the Chair, if I may request that you submit the names of the principals, officers, directors or shareholders of Port Hamilton and transportation. Thank you very much, Mr. Chair, for the leniency. Thank you. Again, that request was for Port Hamilton. Okay, thanks. Thank you, Senator Before we move to the Senate Secretary, prior to the reopening in a safe and environmentally safe reopening, as you termed it earlier, for the refining operations at Lime Tree, I wanted to ask the PFA whether or not if there is or will there be a need for an environmental remediation bond to be in place so that in the case the new owners were to go bankrupt that the people of the Virgin Islands wouldn't be left hole in the bag with a big cost to an environmental clean up.

- 3:47:04 There is a financial assurance that is required as part of the operating agreement. It was in effect with a lime tree and it will be in effect with whoever's successor takes over. So Port Hamilton would have to provide a financial assurance in the form of a letter of credit. So have they presented that? And the term that you're using, would it be the same as the environmental remediation bond?
- 3:47:43 Part of the purposes for the letter of credit would be for remediation of the property, ensure remediation of the property in the event of a discontinuation of refinery operations. I don't, I'm not involved, the PFA is not involved with the negotiations. We simply monitor what's happening so I don't know what negotiations have been going on with the Office of the Governor regarding. Understood, understood. But right now you're the closest to the Office of the governor that's why the question was posed to you and we do know that they will be required to provide a financial assurance thank you so much point of inquiry Senator Viale and then we move to Senate Secretary Whitaker thank you mr. chair why would negotiations be going on if the agreement was transferred um what are we negotiating I'm just saying we don't have I don't I'm not free to any discussions in terms of when exactly they will begin operations or whatever agreements might be made I would just but in reference to the senator question that you said they would have to follow the same line of credit as a lime tree being refinery had to before and the attorney Walker said that the refinery operating agreement was transferred to Port Hamilton. So there would be no negotiation in reference to the line of credit because it's already established in the agreement that we have. Correct, attorney? That's that's correct but I do believe that in the refinery operating agreement the line of credit is tied to the restart. So the the question is you
- 3:49:44 know when when would the restart occur? That's something that the PFA can't answer. We're not involved in those discussions. But as far as Port Hamilton stepping into the shoes of Lime Tree Refinery, yes, it is the position that they would also need to comply with the terms of the financial assurance. Mr. Chambers, are you in negotiation with the government of the Virgin Islands or anything? No, sir.
- 3:50:10 Thank you, Mr. Chair. Thank you, Senator Vialli. Senator Whitaker, you're recognized for your eight minutes. Good afternoon, Chairman. Good afternoon, colleagues. Good afternoon to people of the Virgin Islands. And good afternoon to our testifiers. And I just want to first off begin by stating that we are in a transition. And I'll also say that I'll be very open and honest and be open in the fact that we live in a nation that is not really observing environmental laws. My other hat is I'm a human rights justice advocate and definitely in the space of environmentalism. But we are here today because, first off, in preparing for today's hearing, I did in fact examine what was going on with respect to the communications with the EPA. And also, of course, we don't have DPNR here today, represent my commission oral, but he did in his letter, as read into the record, as also my other colleagues share, indicate the frustrations, experience on the lack of, you know, communication since about May of this year. And what that really lends itself to is really in terms of if we're not, if we're set to reopen and we want to push really to have a quick restart, we have to have these things in place. We hear about the safety, we hear about it, but our people have been impacted over many years. And of course, we know most recently with the egregious emissions that were not only from LimeTree, but also from one of our local entities, particularly with on waste management. My question really starts off with essentially what is the timeline of the response that the EPA issued back in March? When do you expect to respond to them and will you be briefing this committee, well this body rather, and the public as to your responses to the EPA questions that of course as the EPA outlined that don't take any proprietary information into account? What is the timeline to respond to the EPA's concerns?
- 3:52:34 Fernandez Rodriguez, if you may answer that question. Yes. Right now, I will speak. That document is being validated, and the submitted to EPA will be next week in DOJ. Okay. And I think what would have been important to have here today would definitely have been an EPA representative to give in more clarity in that process. How familiar Who on your team are experts in the Clean Air Act or the policies around pollution? Your experts, do you have anybody on staff? Yeah, just to say, this is Charles Chabros here speaking.
- 3:53:15 Because safety and environmental responsibility is so central to what it is that we want to do, We are engaged with a number of people in our team who have extensive experience in dealing with the EPA. In fact, one of the attorneys on the team was, I believe, in charge of the Arabicians unit of the EPA for many years, as well as other environmental professionals that worked for oil majors and were, you know, responsible for dealing with the EPA and for maintaining, you know, standards in line with the expectations of the EPA for more than 30 years, these various people. Thank you for that, just because of time, but I kind of want to get to some other questions, but thank you for that response. And what about your initial assessments of the environmental impacts? Reaching out to the persons on St. Croix affected, has your, has the company engaged any residents of the Virgin Islands, particularly, well obviously St. Croix, um, around the impacts? Have you guys done any assessments and community surveys to get input from the public on the, um, on the prior experience? And I'll, I'm going to also caveat a bit, um, most recently I went out, um, in the, um container port area and there were some concerns about emissions possibly coming from the lime tree area i do commend on the

commissioner orio for responding but it also gave me cause to pause because we're already dealing with the potential uh emissions even in a small pocket impacting some employees in that area with tropical is the new molasses pier as well as the other you know port authorities there so i'm i am concerned there are already some emissions concerns coming from refinery possibly from the refinery from the refinery that

3:55:15 is correct we share that same concern and by now definitely finally have nine monitors around defense we have as a baseline the final is down at this time plus also so2 monitors that we have so this we have five people working on all the environmental requirements that you were talking about who's looking at So we have an environmental manager that has 30 years of experience living in the St. Croix and the refinery. So that assessment and those regulations are being looked at right now to make sure that we comply with everything and answer the questions about any potential impact downwind.

3:55:58 So who feels the call? So when you get a call on concern, do you guys have clear communications that a member of the public can reach out to you? Yeah, clear communications. When someone spells an order near the refinery or anything, would you guys have some appoint person to report that complaint to? One of these are calling number and a command center that is shared with the terminal and Port Hamilton. We have people 24 hours a day to obtain any other complaint. We have a procedure that we deploy people to the community.

3:56:31 You have to ramp it up because the concern I'm indicating was that they did not have information. I myself went out down there and I experienced the experiences that the employees are experiencing. I went there myself because I got first-hand information and there was really no, it was DPNR being the, taking the step to take the action, but there was no way for them to call anybody from Lime Tree and from the facility. So we have to wrap that up, give information, social media, and also press releases and information because they're already concerned and that's where I turn to. The next question I have really concerns a lot of it having to do with the permitting process and I turn to Commissioner Evangelista and just in your coordination Commission Evangelista with Commissioner Oriel because I'm very concerned that we're even giving out a full license when there are when they haven't completed the process they still have EPA pulled back on their ability to reopen, where are you with the licensing process? What teeth do you have to pull back the license as well if they're not successful? Sure. Good afternoon. Richard Evangelista, Commissioner of the Department of License and Consumer Affairs. As the issuer of the business license, if DPNR believes that the entity before it is failing to act on a directive, they will just simply ask us to have a motion to have a show cause hearing on whether to suspend or revoke a business license. So they have that at their disposal if necessary. And that's how that process occurs. But as relates to the issuance of the initial business license, it's like any other entity, they get approved by DPNR, fire, health if necessary, officer lieutenant governor. And once those regulatory requirements are met, then a business license is issued.

3:58:28 And they do have, I have those documents to substantiate that they did meet those minimum requirements to get the business license. My time is called. And I wanted to turn, I heard my colleagues. You want to conclude? Time. Thank you. Thank you, Chairman. And to conclude, because I heard my colleagues, I have the firsthand answer about your engagement with the workforce development. I am the committee chairwoman of education, but I also sit on the CTEC board, and we have not had any engagement. The school has not, the Department of Education has in the CTEC board, and I think that's a very valuable question. If we're going to become serious about this, you have to make contact, and I can certainly facilitate that so that we can ensure that the persons are qualified and the persons get the training. But it hasn't happened, and I'm really surprised, because I think a part of your model, business model should be engaging with the community, getting their feedback, what's what's coming into the community and what what you're going to do but also being serious about already engaging the workforce development entities. Charles Chambers here I mean I we are really about to commence our process to get to restart like I said it'll happen you know at the moment we think in the second quarter of next year so sort of I don't know nine ten months something like this and we do appreciate that we need to in the community engagement is critical we we appreciate that it's required and you know we're you can thank you very much for the offer I mean I'd really like to get in touch with you and to commence the process it's very important for us and we understand what it means and just finally to say that you know obviously in as we see it you You know, we are regulated by the EPA and by the DPNR, and we have to be in complete compliance with those bodies in order to get the refinery restarted and to operate. And because safety and environmental consciousness are so critical to who we are and who we see ourselves as, we expect to do not just what is required but more, and we're really looking forward to getting the refinery restarted and to being incredible corporate citizens in the way that we have an opportunity to do for the people of the Virgin Islands, and thank you so very much.

4:01:02 MS. Thank you, Chairman. Thank you. MR. Thank you, Senator Whitaker. You know, as I sit here and I listen to the discussion back and forth, you know, I truly believe that business transactions and negotiations of the government, especially on behalf of the people of the Virgin Islands, should be clear. And it's funny that when I asked about the initial

deposit for the refinery, we were told that \$3 million was deposited by West Indies Petroleum. However, in the back and forth, people were trying to figure out, well, who's the owner, West Indies or Port Hamilton? We come to find out that Port Hamilton is a special purpose vehicle. Ladies and gentlemen, when I play in the sandbox, I like to know who I'm playing with.

4:02:21 And we are asking for a listing. Let me ask, the list that we asked for, were you able to get yet? I can't recall your name. I'm sorry. Charles Chambers. Mr. Chambers. Yes, sir. From Port Hamilton. Were you able to secure that listing? No, sir, but I will provide it as I said I would, sir. You said you're also, or was also part of West Indies? Yes, sir.

4:02:57 What was your position on West Indies, or is? I'm the CEO of West Indies Petroleum, sir. Who are your other partners, or who are your other partners? West Indies. Shirley and Tarek Felix. Gordon Shirley? Yes, sir. And who? Tarek Felix. Tarek Felix? Who is, you had other board members? Directors? Directors? Yes, sir. We have other directors. Eric Evans, well, so there are two other shareholders and we're buying their position, sir. So those two other owners are Courtney Wilkinson and John Levy.

4:04:02 And what's the status of West Indies Petroleum now? in terms of what sir you're still operational yes sir and the two names you just called john levy and courtney wilkinson they're still board members no sir uh when were they separated I'm going to say February of 2021. Was there a breakup or something in this, or what was the decision for the separation?

4:04:48 They were voted off of the board, sir. And Mr. Walker, you said you're also part of West Indies? Yeah, West Indies, Vice President. West Indies, Vice President. And I'm asking all these because I do background research on individuals, and when I could see people charged with larceny, I could see people charged with cybercrime, I could see inquiries by the Integrity Commission for breach of authority with several things, then it gives me pause. And that's why I would like for us to make sure that the business transactions of the people of this territory is clear and understandable to everyone.

4:05:47 Again, three million wired from West Indies petroleum and apparently this was on behalf of Port Hamilton. Well, it was on behalf of Port Hamilton. Port Hamilton wasn't created at that time, sir. uh so so the deposit was was made uh and through that deposit we entered into the process to uh to be a part of the bid so that's what but sorry go ahead sir i i am sorry as well you may finish okay go ahead sir at what point was port hamilton refining and transportation created uh that vehicle was created i believe after the the um after we won uh the auction sir i believe it was created after the auction maybe it may have been created slightly before uh we won we won the auction but but around the time of uh waiting the auction when did you seek a business license in the u.s virgin islands Well, Port Hamilton, shortly after it would have been incorporated, sir.

4:07:13 Okay. At this time I'll recognize because we have a second block and I don't want to hold individuals too long. We'll have to break in between, but on St. Thomas we have non-committee member, Senator Janelle Saro, you're recognized for your eight minutes. Thank you, Mr. Chengland. Afternoon to all. Please excuse my lateness. I have my feedback. Okay.

4:07:47 The discussion that I heard this morning and early afternoon is quite troublesome. Mr. Chambers, it seems like you created the SPV to circumvent the bankruptcy proceeding. um and then i heard someone asked you who are the five companies and you are unwilling to disclose who the five companies were and i hope that your denial to do such is not because you're trying to hide the identities of those involved in those five companies but your responses today and i'm not anti i'm not anti um economic development but your responses today is troublesome for members of this body and i initially voted for the refinery in the 32nd legislature and over the years i've become very conflicted in my support and vote of the refinery due to the environmental hazards that it's caused you usually find a refinery near brown and black communities and st croix has the second largest oil refinery in the united states and the eighth largest in the world and we have damaged across lagoon we have um the cancer registry cannot be quantified as yet but the impacts and the amount of cancer patients and the rising cancer that we've seen has been troublesome as well um damage to the aquifers across lagoon and for much of the territory's history the refinery has underwritten our financial future from the rise in the middle class to supporting new schools good hope and country day and people having a new well-paying job so because of the economic benefits of the refinery for much of the history we've turned a blind eye to the

4:09:54 environmental impacts of the refinery and we are not a refinery you know we we gave away cross lagoon the refinery profited from colonialism because states were subjected to tariffs and quotas during the opec crisis in the 1970s and um the territory was exempt from those so we were able to bring oil to the virgin islands through our back door deal and exempted the five territories except puerto rico and that oil was able to ship up to the eastern coast of the united states and we continue to fuel that type of oil so we you know it was established before the environmental protection agency before the clean air water act and we're seeing the ramifications of that and if you are going to invest in this refinery you have to be a good corporate citizen and my posture in the refinery is not the same for public consumption for the public to know i i don't know with all the green energy jobs that we're seeing how can we reimagine the refinery into something more

environmentally safe we have teslas and we have so many things happening i'm sure we have green energy investors and we're sitting here today with a company with you mr chambers you own 42 of this company and you have indicated that you're looking for capital but i am fully aware that investors have approached you to finance the project and you have basically denied their help. So what is the, what's the struggle that you're encountering to find capital, start, and operate a refinery?

4:11:42 I'm not sure which investors you're referring to, in terms of investors who have approached us to help restart the refinery. You know, know uh and i'm not so i mean we we understand i mean i i you know we um uh i'm reiterating we understand that uh the incredible importance of being a good corporate citizen uh we understand what our responsibility is to the people of st croix uh to operate refineries that's not answer my question mr chambers what's the trouble that you're having with the investors because i've listened intently to your responses well from the beginning sure to the end and you are you are conflicting you i don't find you to be straightforward i find some information to be missing what is the issue that you're having finding the remaining 58 percent well if sorry because you create a special purpose vehicle through your company go ahead sorry i'm one i'm one i'm one of the the owners of the company that owns that that percentage which was which was mentioned that's the first thing I don't own it my own self in the other thing is that you have to understand the refinery was shut down because it had an environmental issue and and if you think about it you know six months or seven months after it was shut down or eight months really you We just had two bidders, one bidder at \$20 million and another one at \$20 million. For a refinery where people had spent \$4 billion investing in it, it's not exactly a simple process to find investors who are willing to take the risk to come into a refinery that had these issues.

4:13:47 So it requires, I think, a level of investor who is technically competent and comfortable with making the investment, and has the capital in a real way to get it restarted, not, you know, I don't know, I mean, maybe, I don't know, somebody today said· Okay, let's go back. What's your strategy to raise capital? What's the plan to raise capital? Is it through a debt strategy?

4:14:18 Is it through a what, I'm sorry? A debt strategy? It's a combination of debt and equity. Okay. Yes, ma'am. So if you're using a combination of debt and equity, are you aware of the interest rates? Yes, ma'am. And a tremendous risk? One minute. And given the boom-bust cycle of the oil and gas industry, so given that plan that you said that you're going to use, which lender would be interested in lending under such conditions? Well, I think that, as I said before, people spent \$4 billion improving the actual asset and making it a state-of-the-art refinery. The white field didn't have, in our estimation, anything to do with the actual asset as opposed to the way that it was operated. So there were mistakes, I think, that were made in that regard, but there is a unique opportunity right at this moment to restart it in a safe and environmentally friendly way.

4:15:39 I already concluded that I have grave issues with the environmental impact that the refinery has had on St. Croix. We talked about debt strategy and asking which lender would lend you anything under those conditions. The other part of your answer was also equity. What sort of equity structure are you looking at that would make sense to you? well there's a certain amount of of equity well we've already invested equity but there's a certain amount of equity that does need to be uh to be found in order for the debt to to come along it's i think that's a a relatively standard uh a way of uh capitalizing uh you know a project so let's go back now so what would it cost you to um what what what what would it cost you to bring the refinery online i i mean i think it needs to be made clear that you know the refinery was started with all of the units sort of at the same time which is what mr rodriguez what would it cost what would it cost you to bring the refinery online and obtain a psd permit tell me the cost what what is your cost estimate uh we're we expect that we're going to spend uh somewhere in the region of 200 million dollars to to get it restarted okay and then what sort of capital outlay you believe is necessary to cover the first few years of operation until you um exceed the break-even point what sort of capital outlet you mean for like maintenance and and and and i'm sorry so we

4:17:32 intend to start associated with that that will that will that will allow you to function until you pass the break-even point what was that amount well um uh we that that that 200 million dollars is expected to allow us to restart the refinery in a topping mode which is at a at a much lower level of operation where as the uh the senator uh asked earlier we would be producing a significant amount of uh uh bunker fuel uh which there is still a very wide window available for for that market and we would probably be so what's the what's the amount and who are you have you identified who would be your primary customers uh yes ma'am we've uh you know we uh uh we're we're in dialogue with what i would say are uh i don't know a large number of uh global uh oil players or region what region global no no mr chair i haven't heard time mr chair yes time was called but you could wrap up oh i i apologize and i don't want to to abuse the time but when lime tribute came before this body there was a slew of people there was a legal team we had a legal team in the back we had full transparency we taught the refinery. Limetree was able to identify to us who their potential partners were, what region of the world that they were going to be selling to, what relationships they established. There was a full level of

transparency. Today, there is minimal transparency about this refinery restarting.

- 4:19:27 The numbers are off. We don't know who your investors are. You're being funny with the numbers and how much it'll cost to restart the refinery. I caution my colleagues to be mindful of how we proceed because you can't put a monetary value to any life because the refinery may be good for our economy, yes, but we pay for it on the back end with our citizens becoming infected and becoming sick. So the money that you make on one end, you lose on the other end in the high cost of health care to keep our people healthy in his territory and i really am not comfortable with the discussion today mr chair and and i look forward to a follow-up hearing uh where we go until all night because the when we did the lime tree we were headed through something in the morning we need to devote a day to to this discussion because the people of st korean territory dissolve much better.
- 4:20:24 Thank you for the time. MR. Thank you. We may have a follow-up, and like I said earlier, while we don't have bills or ratifying anything and whatnot, this is just an informational session. Mr. Rodriguez, before I ask my colleagues for their wrap-up, do you have an assessed value of the equipment uh on the refining property we did an assessment of equipment that speak into the mic please my apologies we did assessments recently we have not completed it's over 110 million dollars say that one more time slowly please we started an assessment of the value of the equipment that we have in the refinery and the value is over 110 million dollars if we were going to purchase it.
- 4:21:19 So you've started one and it's valued over \$110 million, but you're not completed? That's correct. Okay. Thank you. Colleagues, I'm going to just-let's wrap this up and we'll start from the top. Senate Vice President Francis, you're recognized. Two minutes. Thank you very much, Mr. Chair. chambers mr danville walker works for you yes sir he does right so we we're having a discussion today we have a three billion dollar investment that was made by um lime tree we we have maybe four in some instances right four billion um we have 125 million diable system uh that was put in place 125 million dollars we approve it we all right now we're talking about an investment that have been made by um sometimes west indies the other time uh port hamilton for 30 million dollars so if the refinery never opened and you're able to just cut it up and scrap it you're still ahead of the game the people of the virgin islands want and will ensure you know once we're sitting here we're committed to make sure that we're getting the best bang for our buck and the sacrifices that continue to be made here in the territory all right so i would suggest that you you know do your due diligence you know today i believe that you weren't prepared for the um onslaught of questions that came your way i don't know what will you have briefed on but there's no slouch chair now we're we're willing to commit our life on the behalf of the people of the Virgin Islands I did it for 25 years of the law enforcement officer and the Port of Customs could have an appreciation of that the Commission of the port you know for 25 years I did that and again I continue to do that in
- 4:23:23 my role as a senator. If it's Mark Ball that's there, and all people continue to live, we're better off doing that. But if you don't come, please come good, and we're willing to support an economic development, but it must not come at the cost of the people of Frederickstead or the people of St. Croix. Thank you very much. I still continue to have an open mind and willing to meet as we continue to vet this measure that's before us. Thank you very much, Mr. Chair, for the time. Thank you, Mr. Vice President. Senator Johnson, you recognize?
- 4:24:10 Thank you very much, Mr. Chair. I wasn't prepared, but I'm prepared. I must say that I'm not comfortable what I heard today. I'm very straight and forward. I live on the western part of this island, And I don't want to experience what I've experienced. Many nights can't sleep in my house. That's not a comfortable feeling. And based on the line of questions and my colleagues not getting the answer, I'm very uncomfortable. My one question I would like to ask Mr. Rodriguez, you gave me four neighborhoods and areas that you're going to do these outside monitors. And Clifton Hill is not on that list. And that's the first neighborhood to suffer from any exposure.
- 4:24:50 Why is Clifton Hill not on that list? Not on those four. There's some other five stations that cover Clifton Hill. We could provide the listing of all nine that would be in place. So you will have monitors that will be covering Clifton Hill? Yeah, there's one system. Talk into the mic, please, Mr. Rodriguez. The answer is yes. Talk into the mic. Yes, the answer is yes. All right, definitely, again, to the Chair, We'd like to see where all nine monitors is because it's important. It's very important to the people of this island that they don't have to go through what they went through before you were there.
- 4:25:29 Just correct. I would provide that map with their locations. It wasn't a very good time, a very good couple months. Mr. Chambers, you wasn't here. But I quite show you if you're in tail and you're reading, the people of this island suffer greatly. and only God knows how many of them are going to end up with cancer or some disease or something down the road from the contamination and that fumes that was stuck in the house. It wasn't easy those days. Very difficult days. People are not going to let that go that easy. I appreciate you're continuously talking about safety. Talk, hang on, just be it.

- 4:26:12 You got to put that box where the money is. put your mouth where your money is. Thank you guys very much for your testimony. Thank you very much, Mr. Chair. Thank you. I'm sorry, Vice Chair Potter, did you have a follow-up? Yeah, maybe just a brief comment. Thank you again, Mr. Chair, and thank you very much to the testifiers for the participation in this hearing. Another question, I think I'm not alone in saying that the meeting today really left more questions and answers in the minds of my colleagues and I, and I'm not going to pass the final judgment on the process. I still have an open mind regarding this initiative, but it is my hope that as we move forward in this process. And as we have a follow-up session that Mr. Chambers, you and your team will be here much more prepared to share with us, you know, key and concrete information relative to this very important entity. I mean, Lane Tree has been, was an economic driver in the community. We also had some significant environmental issues which affected, you know, the health and safety of the residents in St. Croix. So you, you know, you have to understand why we would be proceeding with a level of caution regarding your statements and, you know, as far as Port Hamilton, the new kid on the block doing things differently from an environmental standpoint. It is my hope that the next time we meet you will be able to persuade us that you have the financial capacity as well as a technical capacity to assume the ownership of the Lime Tree facilities
- 4:28:14 and I wish you the very best of luck in that regard. Thank you very much, Mr. Jay. Thank you, Vice Chair Potter. Senator DeGraff, you recognise for your closeout. Two minutes. Thank you, Mr. Chair. Good afternoon, everyone again. Final question, Mr. Chamberlain. In terms of if you were to sell the company right now, what would the government get? Is there any clause right now, if you were to sell the company as it is, would the government get a I'm not I'm not aware of no sir I'm not okay well like I say again for me I hate to be redundant but we've done that based on the information again put out today for me I came with an open mind I listened attentively and I gave the benefit of the doubt but I'm still not satisfied as I wasn't back in a think of 2018 2017 when the original one went through so I wasn't satisfied then that's why I didn't support it then so we had to take a vote on it today again my answer will still be no because again like I said the impact to the economy the great jobs that they need to provide all those are great attributes but to me we come putting that towards versus people's lives and stuff based on the toxins and stuff you know it's not close for me so you know that's some of the issues I have and then you know the other logistics and different things but you know this is a very serious matter it is a very serious matter to the
- 4:29:59 economy is a very serious matter to the people but again health and safety is number one and most important to me and I'm only one person I speak for myself and like I said I came with an open mind and I'm willing to listen and think but I still wasn't convinced now of any difference for me so thank you for come in give me a testimony you know you take the blows hey that that's your job but again we'll set up another meeting got more blows for you but again if you go get and I want to be funny so I do apologize but again it's you know to get what we're trying to get for all the best interests of the people of the foreign island. Thank you for the time, Mr. Chair. Thank you, Senator DeGraff. Senator Frances Heiliger, you're recognized for your two minutes. Thank you. Good afternoon once again. For me, this has to do with the people of this territory and making sure that their health and wellness is at the top of the priority list of these organizations. I've listened my colleagues throughout the day speak about many concerns and i have brought forward a few but at the end of the day if we're not going to do this in a way that the people are protected you're going to have members of this chambers and this legislature not very supportive of this so the only thing i wanted to say in closing when it comes to the environmental aspect of it and making sure that the safety aspect of it when you speak about potentially starting over factions of the refinery of with maybe 170 people numbers like that concerned individuals like me because i remember when the refinery had thousands of people just to operate it so even if you're going to reduce it down to a small section you know i'm thinking that's eight percent ten percent of the people that actually used to work there so i'm starting to think about the safety issues the numbers how is this going to work logistically across the board so i think with the follow-up a lot of that information is going to be necessary to really get us on board to understand what you're doing and i know i through the chair i made an inquiry to ask for the listing of who the individuals are that actually own the refinery um i definitely will be looking forward to that so we could better understand who the players are you know i i know it came off today where some feel you know they're not getting as much fort right information but at the end of the day if you can provide that to us i would personally appreciate it okay so thank you mr
- 4:32:50 chair for the additional time. I have no questions, but I am looking forward to the information. Thank you, Senator Francis Heiliger. Senator Saro? I'm sorry. Senator Whitaker, you're recognized for your closeout. Thank you, Chairman. And of course, as my line of questioning really dealt with environmentalism. I've advocated. I also, with the people of the town of Fredrickstead, I was in a series of town hall meetings engaging, and so that is the number one concern about the safety of our people. And the Department of Health is still much behind in the cancer registry as I engage over, and so that's really important to be good corporate citizens. But the main question I have as well in the finality of this is what is the, what is Port Hamilton doing to actually who are the contractors who are going to be able to allow for y'all to actually obtain the permit? Who have you engaged and I would like that information to be provided to the committee of who you

all are engaging to actually bring your to address the permit because that's the challenge you have faced right now. Who are you outside of the organization engaging to get the permits and who are those individuals or individual? You want a listing of those people?

4:34:10 yes yes okay sure and if you can answer that these individuals who would enable you to get this permit who are the organization Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. You

People named in this transcript

SUSPECTED, and a finding aid only. Names were matched by machine against the spellings used across all 426 of our transcripts, and the title is the one used in the room. Being named here is NOT evidence that a person attended or spoke - only that the name was said. Speech recognition mishears names, so a spelling may be wrong even where no alternative is offered.

19x	Senator Kenneth L. Gittens heard in this transcript as: Giddens, Gittins, Kenneth Gittins, Kenneth L. Giddens, Kenneth L. Gittins
10x	Senator Dwayne DeGraff heard in this transcript as: De Graaf, DeGraff, Duane M. DeGraff
8x	Senator Milton E. Potter heard in this transcript as: Milton Potter, Potter
7x	Senator Alma Francis-Heyliger heard in this transcript as: Alma Francis Heiliger, Frances Heiliger, Francis Heiliger
7x	Senator Marise C. James the surname alone also matches: Javan James; Giovanni James Sr heard in this transcript as: James
6x	Senator Novelle Francis heard in this transcript as: Francis, Novell E. Francis Jr.
5x	Senator Franklin D. Johnson heard in this transcript as: Johnson
4x	Senator Genevieve R. Whitaker heard in this transcript as: Whitaker
4x	Senator Kurt Veilley heard in this transcript as: Veille, Veilley
3x	Senator Dwayne M.
3x	Senator Janelle K. Saro heard in this transcript as: Janelle Saro, Saro
3x	Senator Javan James heard in this transcript as: Javon E. James Sr.
3x	Senator Kurt VLA heard in this transcript as: VLA
3x	Senator Kurt Violet heard in this transcript as: Viale
2x	Senator Donna A. Frett-Gregory heard in this transcript as: Donna A. Fred Gregory
2x	Commissioner Jean-Pierre Oriel heard in this transcript as: Oriel
2x	Senator Samuel Carrion heard in this transcript as: Samuel Carriong
1x	Senator Donna Frett-Gregory heard in this transcript as: Donna A. Frett-Gregory

Bills and acts referred to

Matched by number against our own acts corpus. The number is what the recognition heard, so it may be wrong; where it resolved, the title is the one the Legislature gave the act.

- Act 8404** Act 8404 · An Act requiring the Department of Agriculture and the President of the University of the Virgin Islands to develop a territorial agriculture plan; and for other related purposes ---0
- Act 7806** Act 7806 · An Act ratifying the Agreement titled Operating Agreement By and Among The Government of the U.S. Virgin Islands and Limetree Bay Terminals, LLC, dated December 1, 2015
- Act 8072** Act 8072 · July 2018 · An Act ratifying the agreement known as the Amended and Restated Terminal Operating Agreement by and Among the Government of the Virgin Islands and Limetree Bay Terminals, LLC and the agreement known as the Refinery Operating Agreement by and Among the Government of the Virgin Islands and Limetree Bay Refining, LLC, in each case dated July 2, 2018 ---0