

Crime Prevention Through Environmental Design

In The News Review: Governor Slams Hovensa Proposal, Threatens Lawsuit

On the United States Virgin Island of St. Croix rests one of the largest oil refineries in the world. It is named Hovensa for its partnership with Hess Corporation and Petroleos de Venezuela. Up until this year it had been operating for almost 50 years supplying refined fuels to the surrounding islands for energy and transportation. It also shipped refined oils to the US and Venezuela. For decades the partnership company had been receiving tax discounts along with financial incentives to keep the plant running but when a \$750 million fine was imposed by the EPA, along with multiple lawsuits being filed by ex-employees and residents, and with less the need for refined fuels the partnership felt it could not return a profit and therefore has shut down.



The impact to this shutdown has reduced Hovensa's 2000 employees to just 100 employees. The last set of employees was to monitor a storage facility of refined fuels for transportation and energies. However, it does not sustain practicality for future refinements or the handling of maintaining the property for future stockholders. Furthermore impacts to the islands unemployment rate increased by 10% since it was estimated that there were 2 jobs for every employee of Hovensa, thus increasing the unemployment numbers to 6,000 which is more than 10% of the islands population.

Hess has always had a positive rating with the public both adult and children with its collector toy truck series. But with the pull out of refining oil in the Virgin Islands has had a ripple effect to the United States of America with the increase of gas prices. Most may have not noticed the increase but the prices are matched to the other large chains supplying gasoline to the automobile industry when before Hess was always had lower prices.



Hess Corporation will be losing its popularity due to this recent pullout of refining oil in St. Croix. Additionally upon its announcement to Governor John deJongh it gave him only 24 hours' notice that they were to cease operations. Due to the fines, law suits, cost of oil, and demand for it. They felt that they could no longer turn a profit. They also felt that since they were not going to refine oil that there contracts would cease and they would not be paying any of its taxes to the Virgin Islands. They did however propose to continue to maintain the holding facility at Hovensa thus keeping 100 employees.

The Governor said no to this proposal citing that it was not beneficial to the people of the virgin islands. Furthermore the governor announced that he was going to hold Hovensa responsible for the upkeep of the property and its obligation of providing fuels to St. Croix or we would see them in court. He also noted that with upkeeps to the property and refinery that a profit could be made. Therefore if they have no intent on continuing to supply the Virgin Islands then they need to sell of face actions in court.

Sources

www.stcroixsource.com/content/news/local-news/2012/08/07/govemor-slams-hovensa-proposalthreatens-lawsuit