

To: Jeffrey Epstein[jeevacation@gmail.com]
From: [REDACTED]
Sent: Tue 6/29/2010 1:21:07 PM
Subject: FW: A Special Message from Governor John P. de Jongh, Jr.

From: Governor John P. de Jongh, Jr. [mailto:updates@dejonghfrancis.ccsend.com] **On Behalf Of**
Governor John P. de Jongh, Jr.
Sent: Monday, June 28, 2010 8:02 PM
To: Lesley Groff
Subject: A Special Message from Governor John P. de Jongh, Jr.



My Fellow Virgin Islanders:

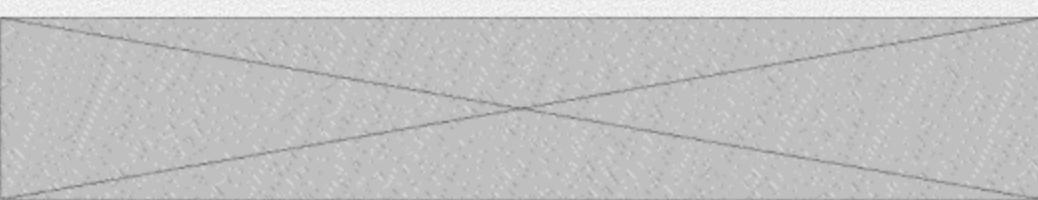


Last Friday, I authored an op-ed for The Hill, a leading Capitol Hill newspaper, in which I explain the vital economic importance of the recent agreements with Diageo/Captain Morgan and Fortune Brands/Cruzan Rum.

These innovative, public-private partnerships are the foundation of our economic transformation and will bring decades of benefits. Through these partnerships, we will generate new revenue, create jobs and help the environment.

I hope you will take a moment to read my op-ed below and to share it with your friends and neighbors.

John P. de Jongh, Jr.
Governor



U.S. Virgin Islands' transformation built on new ideas and smart partnerships

*By Gov. John P. de Jongh, Jr., U.S. Virgin Islands
The Hill, June 25, 2010*

The story developing in America's Virgin Islands is a simple yet powerful one. In the toughest economy in more than 50 years, the United States Virgin Islands is building the foundation for an economic transformation that will bring decades of benefits. One of America's poorest locations, the territory has spent the past two years implementing a plan to modernize a core and historical local industry (rum-making), generate new revenue, create jobs and help the environment. We have established a template for smart economic policy that benefits Virgin Islanders and the nation as a whole.

Because the Virgin Islands receives far less federal funding than the 50 states - and in many cases less per-capita than Washington, D.C., and Puerto Rico - we have always faced challenges to provide important services to our citizens. The territory was on the verge of crisis for years. Congress encouraged the Virgin Islands government to find a new model with sustained revenue streams that would support local economic growth.

And we found the opportunity. Rather than remain passive, we decided to innovate - to create a long-term mechanism to invest in our economy and develop lasting returns. We were ready for change and, because we seized upon it, we already are reaping the benefits.

Rather than let a long-standing local industry - the Virgin Islands has made rum since the 1760s - die from atrophy and low-cost foreign competition, we chose to invest and modernize our industry in order to drive lasting economic activity. The Virgin Islands decided to work together with those rum companies that were willing to commit to exclusive production in the territory for the next 30 years. We struck exciting, smart public-private partnerships with them.

Our agreements with Diageo, owner of Captain Morgan, and Fortune Brands, owner of Cruzan Rum, use the rum excise tax cover-over program to start an impressive economic cycle. By investing some of our cover-over revenue in these branded rums, the second- and fourth-largest selling rums in the United States, we will grow the market and expand rum production in the territory. This increased production will generate more rum excise tax cover-over revenue - which is paid by the rum producers - for the Virgin Islands government.

The cover-over economic development program was introduced in 1917 and extended to the Virgin Islands in 1954 to generate local business activity. In reviewing the program earlier this year, the Congressional Research Service stated that the territories have full local control over cover-over revenue. CRS also stated that this revenue is not considered U.S. taxpayer money or federal government dollars. We are proud to use the program as intended to significantly benefit our territory.

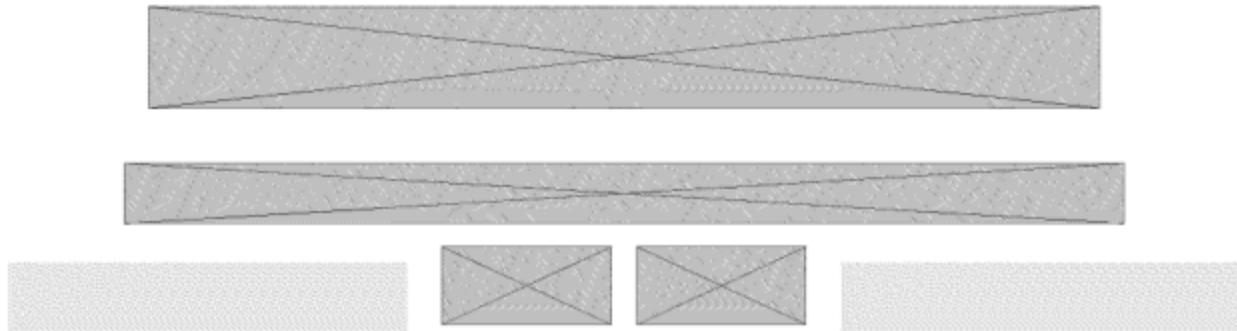
The return on investment is nothing short of tremendous. Our partnerships will nearly triple the Virgin Islands' net cover-over revenue from \$90 million to \$240 million annually. That revenue will be reinvested in our economy and in local needs like schools, roads, infrastructure and our pension system. We can continually expand government revenue by working with our partner companies to expand production. The better the government and our partners do, the better the results for the people of the Virgin Islands.

Congress repeatedly encouraged us to use the cover-over program to build our rum industry, because it aligns with the goal of economic growth and self-reliance for all the territories. The facts are clear, despite all of the rhetoric and the efforts to push retroactive legislation that would set a dangerous precedent for all companies and local governments.

The challenges of tomorrow - particularly in economically vulnerable places like U.S. territories - require new thinking. In the Virgin Islands, we've chosen to work with companies that are ready to act now, rather than rely on old models. Construction at Diageo's new distillery is nearly finished and Captain Morgan rum will be made in the Virgin Islands at the start of 2011. Cruzan Rum's new wastewater treatment plant will set the highest standards for environmentally sustainable rum production. We have already issued bonds collateralized by cover-over revenue - as Congress explicitly instructed the Virgin Islands to do - and we avoided thousands of government employee layoffs and cuts to essential services thanks to these projected revenue streams.

We are doing the right thing in the Virgin Islands. Keeping companies in America by locking in exclusive production for decades to come. Improving the environment while also generating business growth. Helping small businesses and local workers - many of them unionized - get ahead at a time when everyone is feeling the economic pinch. Rebuilding infrastructure like our schools and equipping them with the tools to help our children succeed. And making our territory economically strong and stable.

We were presented with very real challenges in the Virgin Islands. Our resourcefulness and our actions have given us the ability to take control of our future and create our own success.



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