



August 22, 2016

**STATEMENT TO THE COMMITTEE ON GOVERNMENT SERVICES, CONSUMER AND  
VETERANS AFFAIRS ON THE IMPACT OF LIMITED BARGE SERVICE**

**The Honorable Justin Harrigan, Sr**  
**Members of the Committee**  
Legislature of the Virgin Islands  
St. Thomas, U.S. Virgin Islands 00804

Good Day Mr. Chairman, Committee Members and fellow testifiers.

My name is Lisa Hamilton. I am President of the USVI Hotel and Tourism Association and appear today on behalf of our Board of Directors and the Membership. We would like to thank the Chairman and the Committee on Government Services, Consumer and Veterans Affairs for inviting us to participate in the discussion on impact of limited barge services between St. Thomas and St. John.

In the eight years I have served as the President, this is the first time that I have had such a definitive and consistent response from our membership regarding an issue affecting our industry. One hotel member summed it up stating, "A complete disaster."

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As I will detail more fully below, our members have experienced days of delays to receive critical items such as food & beverage, gas and construction materials and sometimes complete cancellation of deliveries. Technology companies cannot properly service their accounts. Timely removal of garbage has become a challenge while at the same time the cost of removal has increased 100%. The limited service has been a significant disruption for local Virgin Islanders who rely heavily on the car barge to do business between islands. And the negative impact on our visitors to St. John, the mainstay of business for St. Thomas and St. John has been costly both in the short term and long term.

The following are direct quotes from members of our Hotel Sector:

“Food and beverage deliveries are chaotic at best. Container deliveries a challenge -- lots of unknown for the upcoming slower project period. Gas trucks are arriving with delays. Coordinating all of that takes time, creates aggravation and costs.”

“We have had difficulty in timely delivery of products to the island, operating supplies and F&B. There is a back up of trailers and containers around the barge area.”

From the villa segment:

“Now because of the barges, we’ve opted to shop on St. John which is at much higher prices and lack of the same products. What STT distributors we do receive items from we’ve had to make adjustments due to the non-guaranteed service.”

“We went to STT last Tuesday for commercial restaurant equipment that is not sold here on STJ and sat in the barge line from STJ for 3.5 hours & 2.5 hours over in St Thomas”.

Food & beverage purveyors have suffered especially with the barge situation. Their trucks are leaving the warehouse at 6:00 am and cannot get back some nights until after 10:00 pm. This means long days for the staff and overtime costs for the companies.

We all understand time is money and spending 6 hours in your day “waiting” to do business is simply unacceptable.

Construction projects have posed the biggest financial hardship with the inability to get concrete to the island. Some members reported waiting approximately 6-8 weeks for delivery meaning much needed improvements and renovations have come to a standstill. In addition, the delayed work is leading to cancellations by prospective guests and forcing the properties to give discounts at a time of year when our rates are lowest of the season. For the V.I. Government, which is looking for more tax dollars, this translates into lower gross receipts tax revenues.

The technology companies whose employees are based in St. Thomas and service St. John businesses and residences depend on the barge for service call transportation. One company stated on August 3<sup>rd</sup> they had four of their five sites down. The techs couldn't get over in a timely manner to bring the sites back up.

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When they finally got to St. John, they had to stay over because there were simply too many vehicles in line for them to return. The delays for inter-island travel for the technology companies have a direct business impact, especially when a hotel needs emergency trouble-shooting. As you are aware, our hotels rely heavily on technology to manage their reservations, sales, marketing, and human resources, etc. When their computer systems or Internet access go down, they cannot do business efficiently and effectively.

Garbage pick-up is a challenge for several members. Some have used their own transportation to deliver garbage to St. Thomas and have had to pay extra for a trash hauler to pick it up and deliver it to the dump. “Our business currently pays \$225 per month for pick up and now will have to pay \$564.00 . . . which is over 100% increase during off season, due to the barge situation. That hurts small businesses like ours.”

There is a direct negative effect on the guest experience as well - many have missed flights. Guests with rental cars have had to leave a day earlier or 6 hours before their regular departure time, spending precious vacation time stuck in a hot parking lot. Numerous customers have been left stranded at the barge dock. “It’s often difficult to plan meetings and to greet guests coming up from St. Thomas to escort them to their vacation rentals. What was a 1 hour greet time for a home in Cruz Bay has turned into a 4 hour greet time as the greeters now have to wait and often reschedule their greets due to guests being stuck on St.

Thomas.” These experiences leave visitors with unfavorable memories of their vacations in the Virgin Islands.

Although I was not able to tabulate the total financial cost of the disruptions caused by limited barge service, I am confident saying that it amounts to hundreds of thousands of dollars. And we cannot put a price on the negative visitor experiences. How many future visitors have we lost because those guests will not return and will share the stories of these unfortunate experiences.

Thank you for the opportunity to testify before your Committee Mr. Chairman and committee members. We look forward to further public – private sector collaboration to resolve this serious problem promptly.