

Re: Bill# 36-0138

An Act to Transfer Certain Parcels of Real Property in Subbase to the Virgin Islands Port Authority for the Crown Bay District Redevelopment Project

Statement of Royal Caribbean Group

November 18, 2025

Good afternoon, Senate President Potter, Vice President Gittens, Senate Secretary Lewis, Majority Leader Violet, and distinguished members of the Legislature. Thank you for the opportunity to speak today on legislation that is vital to the economic growth and global positioning of the U.S. Virgin Islands.

My name is Melissa Morales, and I oversee all Port and Destination Development for the Americas and Caribbean for the Royal Caribbean Group (“RCG”). I am proud to stand before you as a long-term partner of the U.S. Virgin Islands (“USVI”). Our partnership dates to the early 2000s and strengthened significantly after Hurricanes Irma and Maria in 2017, when we worked side by side to help the territory recover and thrive, including restoring our beloved Magens Bay to its pristine state.

Today, we express our full support for Bill 36-0138 which is critical to advancing the Crown Bay Redevelopment Project. This legislation will enable the Virgin Islands Port Authority (VIPA) to secure fee simple title to the property required for development. Without this step, the project simply cannot move forward.

RCG is the largest user of the "Babe" Monsanto Marine Terminal, and the leading cruise line in guest volume and spend in the USVI, nearly twice that of the closest competitor. As a result of our collective partnership with VIPA and the Government of the USVI, since 2017, we've practically doubled our guest volume to St. Thomas (to ~800,000 passengers) and increased visits to St. Croix fivefold (to over 200,000 passengers from 40,000), accounting for nearly one million passengers in 2025. These numbers reflect our commitment to the U.S. Virgin Islands and the significant economic impact and positive contribution we bring to local businesses and communities estimated at \$150 million in spend within the territory.

The cruise industry is evolving. Ships are getting larger and guests are seeking more immersive experiences and enhanced product offerings. To keep St. Thomas competitive as a marquee destination, investment in larger, more modern, and resilient infrastructure is essential. Cruise destinations in the direct competitive region have up to 6 berths and counting. With only 5 cruise berths (and only three that can accommodate the more modern cruise vessels), St. Thomas runs the risk of being completely bypassed as a destination. The Crown Bay Redevelopment Project is fundamental to the future of the cruise industry in St. Thomas and to the broader economic success of the territory by increasing berthing capacity and modernizing the existing facilities.

RCG and our partners at Cruise Terminals International (“CTI”) are prepared to invest over \$200 million in this project. Our commitment to the territory is further demonstrated by a direct investment of approximately \$700,000 to enable VIPA to perform the feasibility studies required for the expansion of the St. Croix pier to enable safe berthing of the most modern cruise ships in the industry. RCG has also agreed to support an industry-wide increase of over 300 percent in per-passenger charges to St. Croix over the last two years aiding growth in the territory (from \$5 in 2023 to \$15 upon the finalization of Crown Bay transaction).

We urge you to pass Bill 36-0138 and join us in maintaining the momentum established over the past decade to shape a stronger, more resilient future for the U.S. Virgin Islands. The future success of cruise in the USVI, including job creation, financial investment, and positioning as a global travel leader is closely tied to this legislation and we look forward to continuing this partnership and building the future together. Thank you for your time and consideration.