

**VIRGIN ISLANDS PORT AUTHORITY
TESTIMONY BEFORE THE U.S. VIRGIN ISLANDS 36TH LEGISLATURE
COMMITTEE ON ECONOMIC DEVELOPMENT AND AGRICULTURE**

**Presented by Ms. Ava Penn
Interim Executive Director, Virgin Islands Port Authority**

Monday, August 10, 2026

A pleasant good day to Honorable Senator Hubert L. Frederick, Chairman of the 36th Legislature's Committee on Economic Development and Agriculture. Greetings are also extended to other committee members and senators present, legislative staff, and the listening and viewing audience.

I am Ava Penn, Interim Executive Director of the Virgin Islands Port Authority. Thank you for the invitation to provide testimony on the impact of the recent shutdown of Spirit Airlines' service to the U.S. Virgin Islands. Here with me today are Ms. Anise Hodge, Deputy Executive Director, and Mr. Jerome Sheridan, Territorial Airport Manager at the Port Authority.

Spirit Airlines' Operation in the USVI

Spirit Airlines provided non-stop service for almost 20 years from St. Thomas and St. Croix to Ft. Lauderdale and Orlando, Florida. The airline operated as an Ultra-Low-Cost Carrier (ULCC), focusing on low base fares with most of its revenue generated from à la carte services such as seat selection, in-flight food sales, and baggage fees. This business model proved unsustainable, and the airline collapsed due to a combination of financial losses, regulatory setbacks, failed rescue attempts, and external economic pressures.

Spirit filed for Chapter 11 bankruptcy protection twice – first in 2024 and again in 2025. Prior to its bankruptcy, Spirit had been gradually reducing service nationwide, ceasing operations at some airports, before officially shutting down and ending all operations on May 2, 2026.

The departure of Spirit Airlines resulted in the loss of three to five daily flights to the Territory. This has reduced travelers' flight options – particularly to mainland destinations such as Tampa, Orlando, Ft. Lauderdale, and Baltimore. While the legacy carriers may add some capacity, there is no pressure to offer low fares, especially to cities frequented by Virgin Islands travelers previously serviced by Spirit. There may no longer exist an airline that can replicate Spirit's combination of price, frequency, and route diversity.

Strategy and Air Service Developments

Despite the challenges created by the departure of Spirit Airlines, VIPA continues to work with the Department of Tourism to attract new flights and is making progress in expanding air connectivity to the Territory. The USVI proves to be a viable destination for air carrier service, and the following illustrates new service recently introduced or coming soon:

- 1. Southwest Airlines – St. Thomas to Orlando and Baltimore (started February 5, 2026):** Southwest Airlines began operating at the Cyril E. King Airport on February 5, 2026, marking the entry of a major U.S. carrier and enhancing competition in the market. The airline launched inaugural flights connecting St. Thomas with Orlando (MCO), along with additional seasonal service to Baltimore (BWI).
- 2. United Airlines – St. Croix to New York (starts October 31, 2026) –** United Airlines has announced new nonstop service between St. Croix (STX) and Newark, New York (EWR). They will be the only airline to offer service to the New York City area from St. Croix. The new route starts on October 31, 2026, and will operate on Saturdays on a Boeing 737-700 aircraft, featuring 126 seats, including 12 in business class.

3. **Breeze Airways – St. Thomas to Tampa (starts December 2026):** Breeze Airways, a hybrid low-cost carrier, announced new nonstop service between Tampa, Florida, and St. Thomas beginning in December 2026. This route will provide another direct connection between the Territory and a key southeastern U.S. market. Their hub in Tampa also provides connecting flights to other airports in Florida and is the USVI’s closest replacement for the service formerly provided by Spirit Airlines.
4. **Inter-Caribbean Airlift – Cape Air and Contour Airlines:** Cape Air now offers inter-Caribbean flights connecting the USVI with the Eastern Caribbean, providing service from St. Thomas to St. Kitts, Nevis, Anguilla, and St. Barths. In St. Croix, Cape Air provides connections to St. Kitts and Nevis.

Additionally, Contour Airlines operates direct flights between St. Thomas and Dominica and has announced new service from St. Thomas to St. Maarten starting on October 5, 2026.

5. **Fly the Whale – St. Thomas to Puerto Rico (started August 3, 2026):** On August 3, 2026, Fly the Whale launched new daily flights operating between St. Thomas (STT) and San Juan Isla Grande Airport (SIG). This new route offers a convenient late-afternoon departure from St. Thomas to Puerto Rico, accompanied by a morning return flight from San Juan to St. Thomas.

VIPA’s Airline Incentive Program

VIPA offers an **Airline Incentive Program** to all airlines to encourage new routes, support the growth of the Territory’s airlift, and reduce midday congestion at the St. Thomas airport. Airlines can qualify for this program by introducing new routes or by increasing flight frequencies on an existing route. They may also qualify by starting a new route that arrives before 1:00 p.m. or after 5:00 p.m. at CEKA (STT). For a two-year service commitment period, qualified airlines receive a waiver of 100% of landing fees, along with a 50% reduction in terminal parking and user fees for one year. The current incentive program term is from February 28, 2026 to December 31, 2026, and is available to all airlines in accordance with federal law. More details can be found on VIPA’s website, www.viport.com.

Closing Statement

In conclusion, I want to thank you again for the opportunity to appear before this Committee to provide testimony. I would like to thank the members of the 36th Legislature, the Bryan/Roach Administration, and the VIPA Board of Governors for their ongoing support of the Port Authority. Last but not least, a heartfelt thank you to all VIPA employees for their dedicated service and support in keeping our ports safe and functional. My team and I are available to answer any questions.

Appendix



VIRGIN ISLANDS PORT AUTHORITY AVIATION DIVISION

CYRIL E. KING AIRPORT
PO Box 31707
St. Thomas, VI 00803

HENRY E. ROHLSSEN AIRPORT
PO Box 1134
St. Croix, VI 00821

AIRLINE SERVICE INCENTIVE

Approved: February 26, 2026

To encourage new and/or additional air service to Cyril E. King Airport (STT), St. Thomas and/or Henry E. Rohlsen Airport (STX), St. Croix, United States Virgin Islands, the Virgin Islands Port Authority (VIPA) hereby promulgates the following incentive:

Applicability: This incentive is available to any scheduled commercial service passenger airline or commercial service charter airline that either currently serves or wishes to serve St. Thomas/St. Croix (or both), United States Virgin Islands airport markets from within or outside the USVI Territory.

Incentive: For a period of one year, during the term of the Incentive Period (as defined below), VIPA's Landing Fee shall be waived at the following percentage: 100%. Additionally, during the one-year period, Terminal Parking Fees; User Fees (Arrival); and User Fees (Departure) shall be reduced by 50%.

Requirements: To participate in the Airline Service Incentive Program, an airline must provide new or additional flight frequencies to St. Thomas/St. Croix (or both), United States Virgin Islands. This new air service may be of two types:

- **New Route** - An airline provides service on a route not served by that airline during the same period of the previous year.
- **Added Frequencies on Existing Route** - An airline provides additional flights on a route served by that airline during the previous year.

Incentive Period: February 28, 2026, through December 31, 2026.

The airline shall receive a waiver of 100% of the landing fees and a waiver of 50% of the user fees (departure and arrival) and terminal parking fees for the period of **One Year** from date of institution of the new or additional service during the Incentive Period, so long as the one-year period does not extend beyond the close-out date of December 31, 2026. The airline may take advantage of the incentive for each new and/or additional service instituted during the Incentive Period.

New airline service routes must arrive at Cyril E. King Airport (STT) either before 1:00pm or after 5:00 pm (Atlantic Standard Time). New airline service routes into the Henry E. Rohlsen Airport (STX) are not subjected to arrival restriction requirements of post 5:00pm (Atlantic Standard Time-AST).

Incentive Clause: All airlines who participate in the Airline Service Incentive Program shall also accept the Incentive Clause. Whereas service routes provided, must remain in the USVI air

service market for a period no less than two years or all fees waived during the incentive period shall be billed at one hundred percent (100%) to the company/airline participating in the incentive program.

All participants within the Airline Service Incentive Program must have executed an Airline Service Incentive Agreement for the term length of VIPA's offer. The Airline Service Incentive Agreement shall only be valid during the corresponding Incentive Period. VIPA retains the right to cancel/modify the agreement based on airline non-performance.

Compliance with Federation Aviation Administration ("FAA") Requirements: VIPA believes this incentive complies with FAA requirements because: 1) it is designed to increase air service to a specific airport, 2) it applies to all scheduled commercial passenger airlines and all commercial charter airlines, and 3) it is of limited duration.