WRITTEN TESTIMONY AND SUPPORTING ANALYTICAL REPORT

In Support of Bill No. 36-0194

An Act Urging the United States Congress and the Office of the United States Trade Representative to Expand and Modernize the Caribbean Basin Initiative

Submitted to:
Committee on Economic Development and Agriculture
36th Legislature of the United States Virgin Islands

Submitted by:
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Date: January 2026

Written Testimony

Chairman, Vice Chairman, and Honourable Members of the Committee

Thank you for the opportunity to submit written testimony in support of Bill No. 36-0194. I commend the Legislature of the United States Virgin Islands for advancing this timely and necessary measure, which addresses the future relevance and effectiveness of the Caribbean Basin Initiative in supporting economic development, resilience, and regional stability.

The Caribbean Basin Initiative has served for more than forty years as a cornerstone of United States Caribbean economic relations. However, recent evidence from official United States government assessments demonstrates that while the Initiative continues to deliver benefits, its structure has not kept pace with fundamental changes in global trade production systems, climate risk, and the economic realities facing both Caribbean economies and United States territories, such as the United States Virgin Islands.

The purpose of Bill No. 36-0194 is therefore not to expand trade preferences indiscriminately but to modernize an existing framework that is underperforming due to outdated design rather than flawed intent. Declining utilization rates, extreme export concentration, and widening gaps between eligibility and actual use all point to the same conclusion. Without modernization, the Caribbean Basin Initiative will continue to lose relevance as a development tool at precisely the moment when the Caribbean region faces a heightened economic climate and geopolitical pressures.

From the perspective of the United States and its territories, the evidence is equally clear. The Caribbean Basin Initiative poses no material risk to United States industries, employment, or consumers. On the contrary, it supports upstream United States industries, strengthens regional supply chains, and contributes to stability in a strategically important region. For the United States Virgin Islands, the Initiative carries direct economic and fiscal relevance, reinforcing the case for territorial inclusion in any future reform.

For these reasons, I strongly support Bill No. 36-0194 and urge its passage as an evidence-based call for modernization that aligns United States trade policy with twenty-first century economic realities.

Thank you for the opportunity to submit this testimony.

(Justin Signature)

Supporting Analytical Report

The Caribbean Basin Initiative (CBI) remains a central mechanism through which the United States engages with the Caribbean region. It was established to promote economic growth, export diversification and political stability. The CBI provides non-reciprocal duty-free access to the United States market for eligible goods originating from designated beneficiary countries. Over four decades, the Initiative has influenced regional trade patterns, supported export-oriented industries and encouraged investment flows. However, recent assessments[1] indicate that the Initiative's design no longer aligns with contemporary Caribbean economic structures, resulting in declining utilisation and concentrated benefits. These findings underpin the economic rationale for modernising the framework as proposed under Bill No. 36-0194.

Economic Impact Overview

The Caribbean Basin Initiative (CBI) continues to shape trade patterns between beneficiary economies and the United States by influencing export diversification, sectoral performance, and market access outcomes. The following eight tables summarise key dimensions of this impact, highlights an insight into how beneficiary countries participate in U.S. markets over time and where modernisation of the Initiative could support more inclusive and resilient growth.

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[1] Assessments by U.S. International Trade Commission (USITC) and the Office of the U.S. Trade Representative (USTR)

Table 1 Breadth of Export Diversification: Number of Distinct Products Exported to the United States

Country	**1990–94**	**1995–99**	**2000–04**	**2005–09**	**2010–14**	**2015–19**	**2020–24**	**% Change 1990–2024**
Aruba	26	55	63	64	67	64	65	151.9
Guyana	102	145	158	154	149	141	179	75.6
Montserrat	27	21	19	26	28	35	46	68.6
Belize	84	92	108	123	117	133	138	63.7
Trinidad and Tobago	223	302	332	362	305	311	312	39.9
Antigua and Barbuda	47	49	44	51	46	68	62	32.1
British Virgin Islands	36	79	92	87	88	88	47	31.7
Bahamas	125	158	178	215	198	185	162	30
Grenada	39	33	31	34	32	39	47	18.3
Saint Vincent and the Grenadines	41	50	39	28	30	44	44	8.3
Saint Kitts and Nevis	85	117	100	90	76	84	89	5.2
Haiti	281	269	245	203	229	248	243	-13.6
Jamaica	355	347	285	299	291	264	286	-19.5
Barbados	136	186	177	157	132	111	109	-20
Saint Lucia	98	117	100	80	52	47	47	-51.7
Dominica	93	114	70	40	37	40	39	-58.2
Curacao	—	—	—	—	—	100	81	n.c.
CBERA region total	963	1,134	1,130	1,098	993	1,018	1,011	5
Pacific Islands region	270	337	433	495	467	503	534	98.1

Source: Source: USITC calculations using data from USITC DataWeb/Census, U.S. imports for consumption, accessed November 17th, 2025. Note: Product count refers to average number of HTS 6-digit subheadings with U.S. imports in a given period.

Table 1 shows the number of distinct HTS six-digit product categories exported to the United States from each beneficiary economy over six multi-year periods. Most countries expanded their export product range over the past three decades, indicating deeper market integration. Aruba, Guyana, Montserrat, and Belize recorded the largest increases, demonstrating diversification momentum. Others such as Dominica and Haiti contracted, reflecting structural vulnerabilities. Overall, the region maintained

stable export breadth, underscoring the value of preferential access, while highlighting uneven country-level performance.

Table 2 U.S. Imports Under CBERA by Major Product Categories (USD millions)

Sector	2020	2021	2022	2023	2024
Agriculture	185	193	214	225	228
Methanol & Energy	796	1,479	1,494	943	764
Textiles & Apparel	750	1,010	978	752	590
Other Mining & Manufacturing	77	109	160	52	55
Total	1,808	2,191	2,801	1,973	1,836

Source: USITC DataWeb/Census, U.S. imports for consumption, accessed November 17th, 2025. Note: Agriculture: HS 1–24; Energy: HS 2905.11.20 & 27; Textiles & Apparel: HS 50–63.

Table 2 summarises U.S. imports under CBERA across major product categories from 2020 to 2024. Energy products, particularly methanol, dominate total import values, peaking in 2022. This reflects established comparative advantages in petrochemicals and energy-related production. The data also show that textiles and apparel remain relevant despite long-term restructuring of global supply chains. The category distribution demonstrates that CBERA utilisation is concentrated in a limited number of product groups.

Table 3 U.S. Imports of Energy Products (USD millions)

Product	2020	2021	2022	2023	2024
Methanol	249	472	377	185	179
Other Energy Products	547	407	1,072	729	764
Total	796	879	1,449	943	943

Source: USITC DataWeb/Census, U.S. imports for consumption, accessed November 17th, 2025.
Note: Methanol: HS 2905.11.20; Other energy products: HS 27.

Table 3 provides a breakdown of U.S. imports of methanol and other energy products. Methanol volumes fluctuate from USD 249 million in 2020 to USD 179 million in 2024, while other energy products range from USD 407 million to USD 1,072 million across the same period. These variations align with global energy price cycles and changes in export capacity. Energy products remain one of the primary channels through which beneficiaries leverage CBERA preferences.

Table 4 Breadth of Export Diversification (By Sector)

Sector	2000–04	2005–09	2010–14	2015–19	2020–24
Agricultural products	199	197	205	221	232
Chemicals	129	122	105	115	119
Electronics	158	161	138	137	137
Energy-related	19	19	15	15	16
Footwear	11	11	11	9	12
Machinery	103	108	97	96	93
Minerals & Metals	129	117	108	109	95
Textiles & Apparel	193	175	147	137	124
Transportation Equipment	49	55	54	57	58
All sectors	1,135	1,105	999	1,025	1,017

Source: USITC calculations using USITC DataWeb/Census, U.S. imports for consumption, accessed November 17th, 2025. Note: Sector counts reflect number of distinct HTS 6-digit product categories exported.

Table 4 tracks the number of distinct product categories exported across nine industrial sectors over five periods from 2000 to 2024. Agricultural, chemical, and transportation-related products remain consistently present, while textiles and apparel show gradual decline over time. Electronics, machinery, minerals and metals remain stable, indicating persistent but modest manufacturing capabilities. This sectoral pattern confirms a gradual shift away from traditional apparel assembly toward a more balanced mix of agricultural and industrial exports.

Table 5 Imports by R&D Intensity (Number of Products)

R&D Level	1990–94	1995–99	2000–04	2005–09	2010–14	2015–19	2020–24
Low	123	160	144	148	180	199	183
Medium-Low	876	907	818	721	711	687	687
Medium	191	247	245	259	308	285	267
Medium-High	273	431	437	522	465	476	447
High	105	198	206	264	242	245	221
Total	1,568	1,943	1,902	2,011	1,916	1,916	1,805

Source: USITC calculations using USITC DataWeb/Census, U.S. imports for consumption, accessed November 17th, 2025.

Table 5 categorises imports by research and development (R&D) intensity across seven time periods, illustrating the technological profile of CBI-linked exports. Most exports fall within low and medium-low R&D categories, consistent with the production structures of small island developing economies. Medium and medium-high R&D categories increased between 1990 and 2009 before stabilising, demonstrating some technological upgrading during that period. The distribution highlights opportunities to support more innovation-oriented sectors through modernisation of the Initiative.

Table 6 U.S. Imports for Consumption from CBERA Countries (USD millions)

Country	2020	2021	2022	2023	2024
Antigua & Barbuda	5	29	9	12	22
Aruba	34	27	16	15	11
Bahamas	270	446	1,721	1,822	1,790
Barbados	46	43	51	45	48
Belize	51	67	61	55	81
BVI	2	5	4	21	89
Dominica	8	5	2	2	2
Grenada	12	15	17	15	14
Guyana	735	2,168	2,842	3,400	5,221
Haiti	829	1,101	1,044	798	631
Jamaica	383	505	348	388	360
St. Kitts & Nevis	50	40	31	22	20
St. Lucia	14	12	10	10	7
St. Vincent & Grenadines	6	5	9	5	8
Trinidad & Tobago	2,621	4,170	5,426	3,011	3,246
Total	5,089	8,682	11,640	9,691	11,585

Source: USITC DataWeb/Census, accessed November 17th, 2025

Table 6 presents total U.S. imports from each beneficiary country from 2020 to 2024. The data reveal significant heterogeneity in export performance. Guyana, Trinidad and Tobago, and the Bahamas comprise the bulk of export value, driven primarily by hydrocarbons, energy products and mixed goods, while smaller island economies such as Dominica, Grenada, and St. Lucia contribute modest amounts. This concentration reflects differences in factor endowments, scale and market structures, and underscores the need for cumulative or collaborative mechanisms to widen participation.

Table 7 Leading Imports Under CBERA (by HTS Chapter)

HTS	Description	2020	2021	2022	2023	2024
27	**Mineral fuels & oils**	547	407	1,072	729	764
61	**Apparel, knitted**	608	806	796	576	442
29	**Organic chemicals**	257	492	436	190	123
62	**Apparel, not knitted**	114	170	155	150	123
21	**Edible preparations**	54	60	61	73	74

Source: USITC DataWeb/Census, accessed November 17th, 2025

Table 7 highlights the dominant HTS chapters driving CBERA trade flows. Mineral fuels and oils (HTS 27) and knitted and non-knitted apparel (HTS 61 and 62) represent the most significant categories. Organic chemicals (HTS 29) and edible preparations (HTS 21) demonstrate additional export relevance. The composition confirms that petrochemicals and apparel are longstanding pillars of CBERA utilisation, with some diversification into value-added food products.

Table 8 U.S. Imports for Consumption by Sector (USD millions)

Sector	2020	2021	2022	2023	2024
Energy-related	547	407	1,072	729	764
Textiles & Apparel	750	1,010	978	752	590
Chemicals	318	574	526	258	248
Agricultural	185	193	214	225	228

Source: USITC DataWeb/Census, accessed November 17th, 2025

Table 8 reports total U.S. imports from CBERA beneficiaries by sector from 2020 to 2024. Energy-related imports dominate throughout, followed by textiles and apparel, chemicals and agricultural goods. Apparel's decline from USD 1.01 billion in 2021 to USD 590 million in 2024 reflects supply chain adjustments and global competition. By contrast, agricultural imports increase steadily, demonstrating stable demand for Caribbean agricultural goods and highlighting an area of potential expansion.

Overall, the trade patterns observed under the CBI confirm its continued economic value while highlighting opportunities for improvement. With modernisation aimed at widening eligibility, supporting emerging industries and enabling collaborative supply chains, the programme could deliver broader and more durable economic benefits for the region.

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Modernizing the Caribbean Basin Initiative for the Virgin Islands and the Wider Caribbean

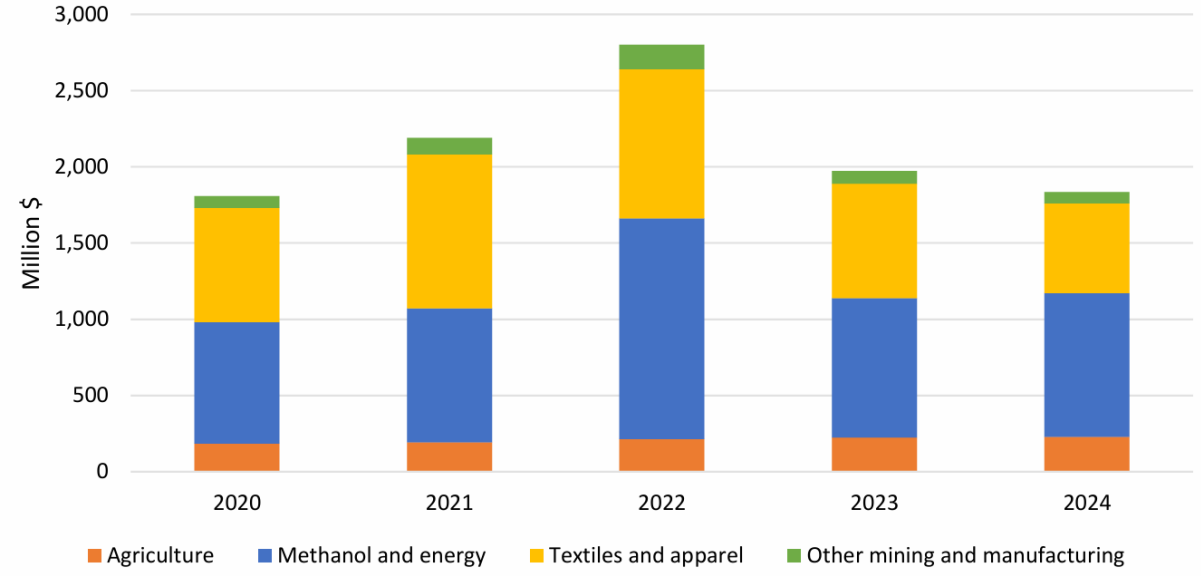
Bill No. 36-0194 responds directly to structural challenges identified in recent assessments[2]. Although the CBI remains a core instrument of United States-Caribbean engagement, its design reflects economic conditions that no longer exist. As a result, the Initiative delivers uneven benefits and declining utilisation despite imposing no meaningful cost on the U.S. economy.

When established, the Programme aligned with regional development strategies centred on apparel assembly, light manufacturing, agriculture and resource-based exports. Over time, it was expanded legislatively to support apparel production. While these measures produced measurable benefits, they embedded a production model calibrated to a late twentieth-century economic environment.

Today the global economy is characterised by services, digital trade, knowledge-intensive activity and climate-related vulnerabilities. Competitiveness in small island economies is shaped by energy costs, infrastructure durability and supply chain reliability rather than tariff margins alone. Yet, the CBI remains confined to a narrow goods-based framework, reducing its developmental relevance.

Evidence Supporting Modernization

Figure 1 U.S. imports under the CBERA program, by major product category, 2020–24



Source: USITC, Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 27th Report, September 2025; DataWeb/Census, U.S. imports for consumption, accessed March 5, 2025. Note: Agriculture products are imported under HS chapters 1 through 24; energy products are imported under HTS subheading 2905.11.20 (methanol) and under HS chapter 27 (other energy products); textile and

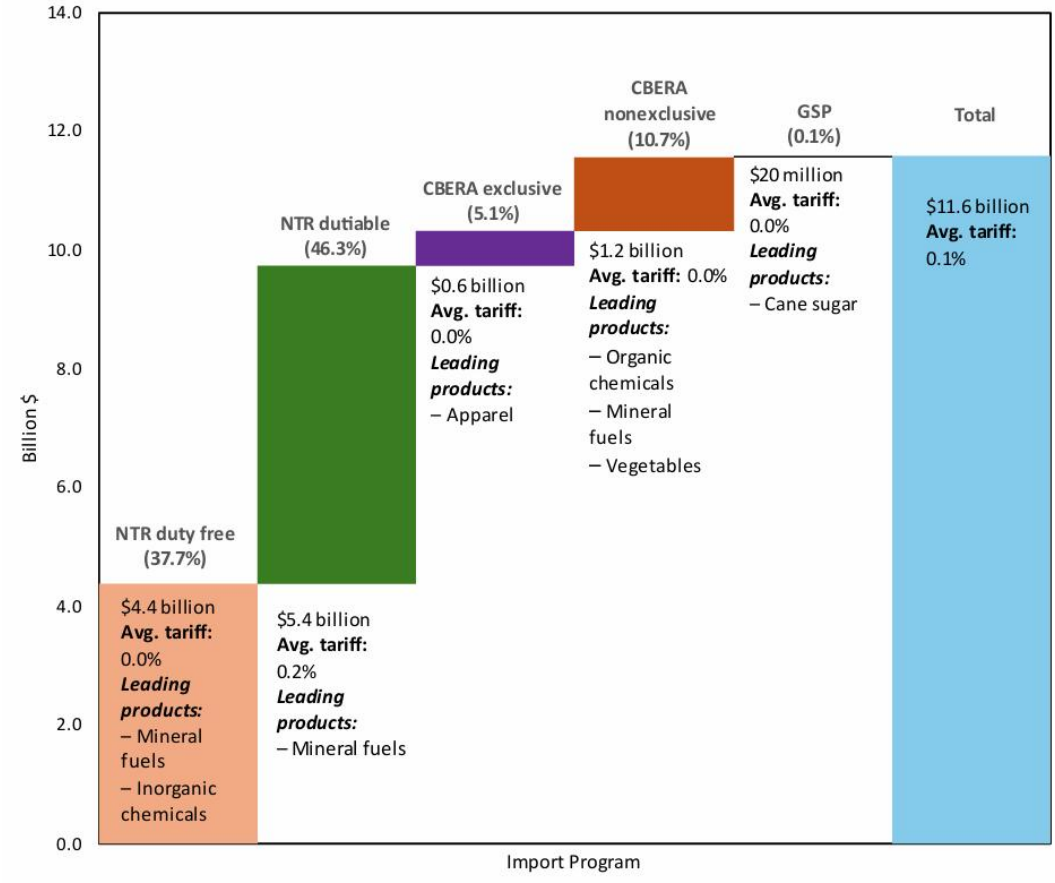
[2] Assessments by the USITC and USTR

apparel products are imported under HS chapters 50-63, 65; and other mining and manufactured products are products not included under other major product categories.

Figure 1 illustrates United States imports under the Caribbean Basin Initiative by major product categories between 2020 and 2024. The data reveal extreme concentration with methanol and other energy products along with textiles and apparel accounting for more than eighty percent of all preferential imports. Agricultural products and other manufactured goods remain marginal despite longstanding policy objectives aimed at diversification. This concentration increases vulnerability to commodity price volatility geopolitical shocks and climate related disruptions undermining economic resilience across the region.

The same figure also highlights volatility rather than sustained growth. Imports peaked sharply in 2022 and declined in subsequent years reflecting exposure to external shocks rather than durable expansion of productive capacity. From a development perspective volatility without diversification undermines employment stability fiscal planning and long-term investment.

Figure 2 U.S. imports for consumption from CBERA beneficiary countries, by import program, 2024



Source: USITC, Caribbean Basin Economic Recovery Act: Impact on U.S. Industries and Consumers and on Beneficiary Countries, 27th Report, September 2025; DataWeb/Census, U.S. imports for consumption, accessed March 5, 2025.

Figure 2, which presents United States imports from Caribbean Basin Initiative beneficiaries by import program in 2024, exposes the most significant inefficiency in the current framework. Although total imports from beneficiary countries reached approximately 11.6 billion dollars, less than sixteen percent entered the United States under Caribbean Basin Initiative preferences. Nearly half were classified as normal trade relations dutiable imports, while more than one-third were duty-free, with no use of the Initiative. This pattern reveals a pronounced utilization gap between eligibility and actual use.

This gap is not the result of declining trade or lack of market demand. On the contrary, eligible exports from the region have expanded significantly. However, average utilization rates have collapsed, reflecting structural barriers such as complex rules of origin, compliance costs that disproportionately affect small producers, limited exporter capacity, and weak alignment between eligibility criteria and modern production processes. The Office of the United States Trade Representative's Sixteenth Report confirms that these constraints, rather than noncompliance, drive low utilization in many beneficiary countries.

Figure 3 CBERA Utilization Rates, by country, 2020-2024

In percentages (%) and change in percentage points (ppts). CBERA = Caribbean Basin Economic Recovery Act.

Source	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	2022–24 (ppts)
Bahamas	90.2	95.4	96.2	97.6	97.7	1.5
Grenada	94.5	91.6	97.9	98.7	95.3	−2.6
Haiti	92.7	93.5	94.9	94.8	94.1	−0.8
Jamaica	91.7	52.8	88.0	75.8	90.8	2.8
Saint Lucia	53.7	93.4	90.1	77.4	85.7	−4.4
Trinidad and Tobago	62.6	62.9	62.5	76.5	73.9	11.3
Saint Kitts and Nevis	49.6	80.8	85.2	88.8	68.3	−16.9
Belize	53.2	70.8	90.0	53.5	68.0	−22.0
Dominica	32.8	4.6	13.3	1.8	39.8	26.5
Barbados	74.4	59.9	17.0	50.8	26.1	9.1
Aruba	8.9	30.5	9.8	14.8	2.0	−7.8
Curacao	4.1	4.1	79.2	0.7	0.7	−78.5
Guyana	48.2	10.0	21.0	3.3	0.4	−20.6
Saint Vincent and the Grenadines	0.0	33.6	75.2	39.5	0.0	−75.2
Antigua and Barbuda	7.8	0.0	1.2	0.4	0.0	−1.2
British Virgin Islands	0.0	0.0	0.0	0.0	0.0	0.0
Montserrat	0.0	0.0	0.0	0.0	0.0	0.0
CBERA region	71.1	48.4	50.9	36.9	27.7	−23.3

Source: USITC DataWeb/Census, U.S. imports for consumption, accessed March 5, 2025.
Note: The CBERA utilization rate is the value of all U.S. imports from a CBERA beneficiary country that claim the CBERA preferences divided by the value of all U.S. imports of CBERA-eligible products from that country.

Figure 3, which shows utilization rates by country over time, reinforces this conclusion by revealing stark divergence across beneficiaries. A small number of countries with established supply chains achieve very high utilization rates, while many small island economies record minimal or zero use despite eligibility. This divergence demonstrates that the Caribbean Basin Initiative can work where alignment exists but fails where

design constraints dominate. Modernization is therefore essential to broaden participation and prevent further concentration of benefits.

Figure 4 Export Diversification Outcomes among Caribbean Basin Initiative Beneficiaries

In average count of products and percentages (%). — (em dash) = not applicable; n.c. = not calculable.

Country	1990–94 (count)	1995–99 (count)	2000–04 (count)	2005–09 (count)	2010–14 (count)	2015–19 (count)	2020–24 (count)	Percentage change, 1990–2024 (%)
Aruba	26	55	63	64	67	64	65	151.9
Guyana	102	145	158	154	149	141	179	75.6
Montserrat	27	21	19	26	28	35	46	68.6
Belize	84	92	108	123	117	133	138	63.7
Trinidad and Tobago	223	302	332	362	305	311	312	39.9
Antigua and Barbuda	47	49	44	51	46	68	62	32.1
British Virgin Islands	36	79	92	87	88	88	47	31.7
Bahamas	125	158	178	215	198	185	162	30.0
Grenada	39	33	31	34	32	39	47	18.3
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Haiti	281	269	245	203	229	248	243	−13.6
Jamaica	355	347	285	299	291	264	286	−19.5
Barbados	136	186	177	157	132	111	109	−20.0
Saint Lucia	98	117	100	80	60	52	47	−51.7
Dominica	93	114	70	40	37	40	39	−58.2
Curacao	—	—	—	—	90	100	81	n.c.
CBERA region	963	1,134	1,130	1,098	993	1,018	1,011	5.0
Pacific Islands region	270	337	433	495	467	503	534	98.1

Source: USITC calculations using data from USITC DataWeb/Census, U.S. imports for consumption, accessed March 5, 2025, accessed February 10, 2025.

Note: The count of products exported is the average number of *Harmonized Tariff Schedule of the United States* 6-digit subheadings with U.S. imports in a given period. Higher counts indicate more export diversification. Curacao was designated a CBERA beneficiary effective January 1, 2014, and designated a Caribbean Basin Trade Partnership Act beneficiary on August 18, 2015.

Figure 4 illustrates export diversification outcomes under the Initiative. While the number of distinct products exported to the United States has increased modestly, export revenues remain heavily concentrated in a narrow set of goods. Depth of diversification has therefore declined even as breadth has expanded. The United States Trade Representative report complements this finding by documenting cases where utilization improved once rules aligned more closely with production realities, demonstrating that diversification is achievable under a modernized framework.

From the perspective of the United States economy, the evidence strongly favours reform. Imports under the Caribbean Basin Initiative represent a negligible share of total United States imports, and both the United States International Trade Commission and the Office of the United States Trade Representative conclude that the Initiative has no meaningful negative impact on United States industries, employment, or consumers. Where measurable effects exist, they are often positive. United States upstream industries benefit from increased demand for intermediate inputs, particularly in textiles and apparel, supporting domestic employment and production.

Figure 5 Estimated sector-level effects of the CBERA program on export revenues in CBERA beneficiary
In millions of dollars ($) and percentages (%). CBERA = Caribbean Basin Economic Recovery Act; HTS = *Harmonized Tariff Schedule of the United States*; ** = value is less than $50,000 in magnitude.

Sector	CBERA beneficiary country	Actual export revenues (million $)	Change in export revenues due to CBERA (million $)	Change in export revenues due to CBERA (%)
Apparel	Haiti	515.0	308.1	148.9
Chemicals	Bahamas	54.4	7.6	16.1
Chemicals	Trinidad and Tobago	179.1	13.9	8.4
Food manufacturing	Bahamas	**	**	12.4
Food manufacturing	Barbados	**	**	39.5
Food manufacturing	Belize	2.0	0.2	12.4
Food manufacturing	Grenada	**	**	19.9
Food manufacturing	Guyana	0.9	0.1	11.8
Food manufacturing	Haiti	1.6	0.1	4.9
Food manufacturing	Jamaica	44.5	6.8	17.9
Food manufacturing	Saint Lucia	0.5	0.1	16.4
Food manufacturing	Trinidad and Tobago	34.9	8.3	31.2
Petroleum	Trinidad and Tobago	763.7	2.9	0.4

Source: USITC DataWeb/Census, U.S. imports for consumption, accessed March 5, 2025, accessed March 19, 2025. Estimated effects are obtained from the USITC's modeling analysis.
Notes: Export revenues given in this table refer to total export revenues for each country across the products that compose each sector. CBERA export revenue from a given country is equivalent to the value of imports under CBERA preferences from that country; table 3.1 displays imports under CBERA for each product. Chemicals include HTS subheadings 2905.11.20 and 3903.11.00; food manufactures include HTS subheadings 2008.99.91, 2103.90.80, 2103.90.90, 2106.99.99, and 2202.10.00; and petroleum includes HTS subheadings 2709.00.10 and 2709.00.20.

Figure 5 presents estimated export revenue gains attributable to the Caribbean Basin Initiative. In 2024 alone, the Initiative increased export revenues across beneficiary countries by nearly 350 million dollars relative to a scenario without the program. Haiti experienced particularly strong gains in apparel exports and gross domestic product while Trinidad and Tobago and Jamaica recorded meaningful benefits in chemicals and food manufacturing. These outcomes demonstrate that the Initiative delivers measurable development benefits when aligned with productive capacity.

For United States territories particularly the United States Virgin Islands the case for modernization is especially compelling. The United States Virgin Islands share many of the same vulnerabilities as neighbouring Caribbean economies including exposure to climate shocks high energy costs and supply chain fragility. At the same time the territory operates within the United States legal and fiscal framework positioning it as a natural bridge between federal policy and regional economic systems. The Office of the United States Trade Representative report highlights fiscal linkages including rum related excise tax provisions that underscore the direct budgetary relevance of Caribbean Basin Initiative trade for the United States Virgin Islands.

Despite this strategic position United States territories are often excluded from formal Caribbean Basin Initiative policy design and review processes. Modernizing the Initiative to explicitly include territories such as the United States Virgin Islands would strengthen regional supply chains enhance resilience and support diversification within the territory itself. Expanded eligibility for renewable energy technologies climate resilient infrastructure digital services and small business participation would deliver tangible territorial benefits while reinforcing United States strategic interests.

The urgency of reform is heightened by the impending expiration of key components of the Caribbean Basin Initiative framework and recent changes in United States tariff policy that have narrowed preference margins. The Sixteenth Report to Congress documents these developments and makes clear that failure to modernize will further erode utilization and relevance. Bill No. 36-0194 correctly identifies this moment as an opportunity to realign the Initiative with twenty first century economic conditions rather than allow gradual obsolescence.

In conclusion the combined evidence from the United States International Trade Commission and the Office of the United States Trade Representative strongly supports Bill No. 36-0194. The Caribbean Basin Initiative remains a valuable policy instrument, but its current design constrains its effectiveness. Modernization would enhance development outcomes strengthen regional stability support United States territorial economies such as the United States Virgin Islands and do so without imposing meaningful costs on United States industries or consumers. This submission therefore urges strong legislative support for the bill.