



Executive Director, University of the Virgin Islands Research & Technology Park
Before the Committee on Economic Development and Agriculture
36th Legislature of the Virgin Islands
In Support of Bill No. 36-0194: An Act Urging the Modernization of the Caribbean Basin Initiative

Good Morning Chairman Hubert L. Frederick, Vice Chair Senator Angel Bolques Jr., members of the Committee on Economic Development and Agriculture, honorable members of the 36th Legislature, and the viewing public. Thank you for the opportunity to testify in support of Bill No. 36-0194, which urges the United States Congress and the Office of the United States Trade Representative to expand and modernize the Caribbean Basin Initiative (CBI) to reflect today's economic realities and the evolving structure of regional and global trade.

My name is Eric Sonnier, and I serve as the Executive Director of the University of the Virgin Islands Research & Technology Park (UVI RTPark). The UVI RTPark was established to catalyze innovation-driven economic growth through technology development, academic partnerships, and workforce training. I appear before you today in support of this legislation with the recommendation that the committee amends the bill to clarify the position and role of the US Virgin Islands amongst the 17 CBERA Beneficiary Countries.

The Case for Modernizing the CBI

The Caribbean Basin Initiative was originally designed to strengthen economic stability through manufacturing and goods-based trade preferences. It was designed for an era in which economic development was driven primarily by the production of goods; exports consisted largely of manufactured and agricultural products, and customs treatment served as the main lever of trade policy.

Today, policymakers increasingly recognize that Caribbean economies are primarily services-based, with growth driven by tourism, professional services, ICT-enabled work, financial and business support services, and digital trade, making duty-free treatment of goods a less decisive constraint on economic growth. As Bill No. 36-0194 correctly states, the global economy has evolved dramatically since the enactment of the CBI, and modernization is now required to fill critical gaps in the existing framework.

Some of the most promising growth opportunities in the Caribbean are no longer tied to physical exports alone. They are tied to:

- Software and digital services
- Energy reliability, grid resilience, and domestic power technologies
- Data security, cybersecurity, and financial infrastructure technologies
- Healthcare, education, and logistics technologies
- Advanced manufacturing methods focused on efficiency, quality, and scalable production

These are precisely the sectors where small, highly skilled jurisdictions within the Caribbean can compete globally, if policy frameworks like the CBI evolve to support them.



Academic Partnerships and Workforce Development as Trade Infrastructure

One of the most important evolutions reflected in Bill No. 36-0194 is the recognition that human capital is an essential part of trade infrastructure.

Through our partnership with the University of the Virgin Islands, the UVI RTPark integrates:

- Student internships and applied learning
- Faculty-industry collaboration
- Workforce upskilling aligned to employer needs

A modernized CBI that explicitly values skills development, knowledge transfer, and SME participation would align federal trade policy with the very investments that island nations and territories like ours are already making at the local level. Incorporating a Workforce and Knowledge-development Pillar that operates alongside existing trade preferences, would emphasize eligibility standards and cooperative frameworks that encourage alignment between education systems, innovation hubs, and export-oriented industries. In practice, this would support partnerships between universities, research institutions, and private firms, facilitate knowledge transfer between the U.S. and Caribbean, and ensure that Caribbean talent pipelines are prepared to meet the needs of U.S. companies.

Additionally, one of the most overlooked strengths of the Caribbean entrepreneurial ecosystem is that founders often build solutions to the problems they personally experience. When entrepreneurs and institutions in the U.S. or U.S. Virgin Islands collaborate with peers across the Caribbean, they are not duplicating efforts but co-developing regionally relevant solutions that can scale across multiple markets.

A modernized CBI that encourages cross-border collaboration, SME participation, innovation networks, skills development, and knowledge transfer would unlock potential and align federal trade policy with these Caribbean-grown investment opportunities.

The Virgin Islands as a Strategic Bridge

As the bill correctly recognizes, the U.S. Virgin Islands occupies a unique position - both an integral part of the United States and an active Caribbean stakeholder.

This dual identity allows the territory to serve as:

- A testing ground for modern trade frameworks
- A bridge between U.S. policy and Caribbean implementation
- A neutral platform for regional collaboration
- A hub for U.S. companies entering Caribbean markets
- A launch point for Caribbean innovators accessing U.S. systems



Explicitly including the U.S. Virgin Islands as one of the 17 CBERA Beneficiary Countries is not recommended, as the Territory already benefits from substantial and distinct trade preferences with the United States by virtue of our territorial status, and inclusion would raise unnecessary legal and enforcement concerns within a framework designed for foreign countries. At the same time, the U.S. Virgin Islands should be recognized as a prime stakeholder and implementation partner in any effort to modernize the Caribbean Basin Initiative, particularly given its unique position as a U.S. jurisdiction in the Caribbean that can support compliance, coordination, workforce development, digital services, and innovation-led trade without undermining existing safeguards.

Modernization should intentionally leverage the U.S. Virgin Islands as a platform for U.S. aligned infrastructure, talent development, and regional collaboration, ensuring that territorial strengths are integrated into the broader Caribbean economic ecosystem while preserving the integrity of the CBI's beneficiary structure. This approach allows the U.S. Virgin Islands to be fully part of the conversation and solution set, without creating statutory conflicts.

Closing

In closing, Bill No. 36-0194 is important because it recognizes that the Caribbean Basin Initiative must evolve to reflect how economic growth and trade now occur in practice. At its core, the bill affirms that:

- The Caribbean's future is increasingly innovation and services driven, not solely dependent on goods-based trade
- Small and medium-sized enterprises and entrepreneurs are central to economic resilience and regional competitiveness
- Human capital and workforce readiness are essential components of modern trade infrastructure
- The Virgin Islands, as a U.S. jurisdiction in the Caribbean, should have a meaningful role in shaping and implementing modernization efforts

A thoughtfully modernized CBI that reflects today's economic realities can strengthen regional trade while empowering entrepreneurs, supporting high-quality job creation, and building long-term economic resilience for the United States, the U.S. Virgin Islands, and the wider Caribbean. At the UVI RTPark, we are already advancing this vision in ways that demonstrate how CBI modernization can work in practice, and we look forward to our continued involvement in this effort.

Thank you for your leadership, and I am happy to answer any questions.