



Government of the United States Virgin Islands
Public Services Commission

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January 13, 2026

Honorable Senator Angel L. Bolques, Jr.
Senator-At-Large

The Thirty-Sixth Legislature of the Virgin Islands
Capitol Building, St. Thomas, U.S. Virgin Islands 00804

Honorable Hubert L. Frederick, MS CFE
Chairman, Committee on Economic Development and Agriculture
The Thirty-Sixth Legislature of the U. S. Virgin Islands
Capitol Building, St. Thomas, U.S. Virgin Islands 00804

**Re: Letter of Support for Bill No. 36-0194 — Expansion and Modernization
of the Caribbean Basin Initiative (CBI)**

Dear Senators:

Good afternoon Honorable Hubert L. Frederick, M.S., C.F.E., Chairman of the Committee on Economic Development and Agriculture, Honorable Senator Angel L. Bolques, Jr., Vice Chairman; and members Senator Marvin A. Blyden, Senator Alma Francis Heyliger, Senator Marise C. James, Senator Franklin D. Johnson, and Senator Clifford A. Joseph, members of the 36th Legislature present, staff, and the listening and viewing audiences.

I am Sandra L. Setorie, Executive Director of the Virgin Islands Public Services Commission. On behalf of the Virgin Islands Public Services Commission (PSC), I wish to express our appreciation for your leadership in introducing 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). The Commission is pleased to offer its strong support for this forward-looking measure.

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We wholeheartedly recognize the importance of ensuring that the United States Virgin Islands is not only included but also prioritized as a stakeholder in regional development efforts. The modernization of the CBI to encompass 21st century economic priorities – such as digital services, renewable energy, climate resilience, and critical infrastructure innovation – will help position the Virgin Islands and our Caribbean neighbors for sustainable and inclusive growth.

The Legislature aligns with our shared commitment to fostering economic and public infrastructure diversification, enhancing regional collaboration, and building resilience in the face of global challenges. We are pleased to offer the necessary support for this important initiative and to endorse Bill No. 36-0194 as a meaningful step toward a stronger and more competitive Caribbean region.

The **Caribbean Basin Initiative (CBI)**, which was established to promote economic growth and regional trade between the United States and Caribbean and Central American nations, supports many of the **core mandates and goals** of the **Virgin Islands Public Services Commission (PSC)** by fostering conditions that encourage infrastructure modernization, regulatory advancement, and economic resilience in vital service sectors.

Initially established by the Caribbean Basin Economic Recovery Act (CBERA) in 1983 and later expanded through amendments like the Caribbean Basin Trade Partnership Act (CBTPA) of 2000. As recent as 2020, the U. S. Senate voted to renew the Act through September 30, 2030. The Initiative is established to promote investment, stimulate production, and diversify exports in the beneficiary countries.

The PSC’s mission is to ensure that public utilities within the United States Virgin Islands provide safe, reliable, and affordable services that advance economic growth and enhance the quality of life for all residents. While the CBI is primarily a trade preference program designed to facilitate **economic development and export diversification** by providing duty-free access to the U.S. market for most goods, and while it does not directly focus on the specific operational and regulatory aspects of public utilities (energy, electricity, telecommunications, water, and infrastructure etc., the modernization of the CBI would certainly complement the mission of regional regulatory commissions by advancing policies and partnerships that strengthen energy, telecommunications, water, and infrastructure systems—key and primary facilities under PSC oversight.

However, related, more modernized partnerships and initiatives complement the mission of public utility commissions (PUCs) by advancing policies and partnerships that strengthen utility systems.

Specifically, the Commission recognizes that:

1. Energy Sector Modernization:

Modernizing the CBI to emphasize renewable energy, energy efficiency, and climate resilience aligns with the PSC's own commitment to supporting diversified, reliable, and sustainable energy resources across the Virgin Islands.

Public services and utilities commissions must be able to align local policy objectives with evolving clean energy mandates and requirements not just jurisdictionally but regionally as well.

2. Telecommunications and Digital Infrastructure:

The inclusion of digital services and technology under an updated CBI framework promotes the expansion of broadband, data connectivity, and telecommunications innovation, advancing utility commissions' objectives of development, accessibility, affordability, and reliability within our Caribbean region and globally as well.

- transforms the nature of regulated entities and services
- prompts the need for updated regulatory frameworks
- shifts regulatory focus to new areas, e.g., cybersecurity; data protection, management and privacy;
- universal service and the digital divide;

As a result, the CBI necessitates a transformation of the area public services and utilities commissions' and legislative roles from traditional rate and service regulation to more dynamic, agile, and technically informed oversight bodies focused on market competition, infrastructure resilience, and consumer protection in the digital age.

3. Water and Wastewater Infrastructure:

Through increased opportunities for investment, knowledge networking

and intellectual exchange, a revitalized CBI can support sustainable water and wastewater management practices, enhancing service delivery and operational resilience.

4. Economic and Ratepayer Impact:

By strengthening regional commerce, inter-regional trade, creating jobs, and stimulating investment, the CBI indirectly supports the PSC's goal of ensuring just and reasonable utility rates while fostering infrastructure growth and consumer advocacy.

5. Economic and Ratepayer Impact:

There is no direct benefit to the U. S. Virgin Islands, however, indirectly and by promoting regional economic development, facilitating inter-regional commerce, and encouraging workforce expansion and capital investment, the CBI supports conditions that are consistent with the PSC's statutory obligation to ensure just and reasonable utility rates. Sustained economic growth and investment in an integrated regional system, such as the one shared by the U.S. Virgin Islands and neighboring Eastern Caribbean countries, contribute to a stable revenue base for utilities, support prudent infrastructure development, and enhance system reliability, all while mitigating upward pressure on rates and advancing the long-term interests of ratepayers.

For all these reasons, the Virgin Islands Public Services Commission is a member of the National Association of Regulatory Utility Commissioners (NARUC), the Mid-Atlantic Conference of Regulatory Utilities Commissioners, and very importantly the Organisation of Caribbean Utility Regulators (OOCUR).

The Commission believes that a re-engineered Caribbean Basin Initiative will enhance regional collaboration, partnerships, drive technological innovation, and position the Virgin Islands as a key participant in the evolving Caribbean and global economic landscape.

The Virgin Islands Public Services Commission is therefore pleased to offer its support of Bill No. 36-0194 and expresses its appreciation for the CBI's broader vision. In recognizing the Virgin Islands' role as an integral partner in regional development, the Commission commends the continued efforts to advance shared prosperity, strengthen institutional collaboration, and advance sustainable growth across the Caribbean region.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Sandra L. Setorfe", is written over the printed name.

Sandra L. Setorfe

Executive Director

Virgin Islands Public Services Commission