



SENATE TESTIMONY

ECONOMIC DEVELOPMENT AND AGRICULTURE COMMITTEE

The West Indian Company Limited
Joseph Boschulte,
President/ CEO



Good morning, Economic Development and Agriculture Committee Chairman, Honorable Senator Hubert L. Frederick, Committee Members, and Senators of the 36th Legislature of the United States Virgin Islands, legislative staff, members of the media, and the listening and viewing audience.

I am Joseph Boschulte, President and Chief Executive Officer at the West Indian Company Limited (WICO), joined today by Charlene Turnbull, Chief Financial Officer, and Mark Sabino, Director of Marine and Cruise Services. Pursuant to your invitation, we are here to provide testimony concerning West Indian Company Limited's operations, including infrastructure and berths, ongoing leadership transition, finances, partnerships, and more.

From a governance and organizational standpoint, WICO's leadership structure has undergone measured and deliberate changes since our last appearance before this body. In October 2025, I resumed the role of President and Chief Executive Officer, returning to WICO after nearly eight years. During that time, I served as Commissioner of the Department of Tourism, a position that kept me closely connected to WICO and deeply engaged in the cruise and tourism industry.

The Board of Directors has also evolved. The Board welcomed Commissioner-Designee of the Department of Tourism, Jennifer Matarangas-King, and during its December year-end meeting, Hugo Hodge, Jr., was elected Chairman of the Board, with Vincent Richards serving as Vice Chairman and Roosevelt David as Secretary. In addition, Charlene Turnbull has resumed her role as Chief Financial Officer. These leadership transitions were executed thoughtfully and without disruption, guided by an intentionally structured plan that ensured continuity of daily operations while allowing for a comprehensive internal assessment.

During this period, the leadership team undertook a thorough review of organizational priorities, financial performance, standard operating practices, staffing needs, corporate status, property conditions, and critical infrastructure. This disciplined approach allowed WICO to maintain operational momentum while positioning the organization to move forward with greater alignment, accountability, and strategic focus.

Upon resuming the role of CEO, a key priority was ensuring clarity around the operational and legal standing of the organization. The West Indian Company Limited is a U.S. Virgin Islands corporation organized under the laws of the Territory and granted the status and authority of a public corporation pursuant to its enabling statute, Act No. 5826.

Before addressing operational specifics, it is important to provide context on the cruise industry and its significance to the region and the Territory. The Caribbean remains the world's leading cruise destination, accounting for the largest share of global itineraries and passenger demand, according to the Cruise Lines International Association (CLIA). Following a strong post-pandemic recovery, the region is experiencing record passenger volumes and increasing economic impact, driven by expanded homeporting, infrastructure investments, and the deployment of newer, larger, and more efficient vessels. Looking ahead, CLIA projects sustained long-term growth as cruise lines continue investing billions in fleet expansion, destination development, and sustainability initiatives.

The Virgin Islands cruise industry mirrors this positive trajectory. In 2025, the U.S. Virgin Islands retained 13 percent of the Eastern Caribbean cruise industry capacity, outperforming several leading regional destinations, including Puerto Rico. This performance reflects renewed demand, strategic partnerships, and the Territory's strengthened position within the global cruise market.

As the Territory's premier cruise ship docking facility, WICO plays a central role in tourism success and supports the local economy. In Fiscal Year 2025, WICO welcomed 960,147 cruise passengers, approximately 58 percent of the Territory's total 1,658,092 cruise passengers, and berthed more than 270 cruise ships, accounting for 50 percent of all cruise ship calls. According to the Virgin Islands Bureau of Economic Research, these figures underscore WICO's role as a critical gateway for cruise tourism and a key economic engine supporting local businesses, employment, and community development.

The U.S. Virgin Islands has also received notable recognition from the cruise industry, reflecting our collective growth and expanding global profile. These acknowledgements include being ranked the number one cruise destination in the Caribbean by Porthole Cruise Magazine, second in average passenger spend at \$166, and third in total annual passenger spending at \$258 million in the Caribbean region.

WICO's financial position continues to demonstrate measurable improvement, reflecting disciplined fiscal management, operational efficiencies, and strengthening demand within the cruise sector. In Fiscal Year 2025, WICO generated \$9.4 million in revenue, representing a 14 percent increase over FY 2024, while total operating expenses declined to \$6.2 million, a 6 percent reduction from the prior fiscal year.

At the same time, WICO seeks to work collaboratively with the Senate to resolve the issue of the Payment in Lieu of Taxes, or PILOT, in a manner that addresses both existing liabilities and future assessments. WICO's outstanding PILOT liability currently totals \$11.8 million, which includes amounts accrued during the COVID years—when cruise operations were effectively halted—as well as during major disruptions such as Hurricanes Irma and Maria. We believe there should be a mechanism to allow for adjustments when extraordinary events materially impact revenue.

Looking ahead, the financial outlook for Fiscal Year 2026 remains positive. Revenues are projected to continue increasing while WICO maintains a disciplined cost structure, positioning the organization for continued improvement, resilience, and sustainable growth.

The future of the West Indian Company Limited is bright and strategically aligned with continued expansion in the global cruise industry. A critical priority moving forward is the successful negotiation of berthing agreements with cruise line partners. In 2026, WICO is projected to welcome more than 360 cruise ship calls at Havensight—a 30 percent increase over 2025—bringing an estimated 1.1 million cruise passengers to St. Thomas. Preliminary projections for 2027 anticipate maintaining similar levels, with approximately 362 cruise ship calls.

Supporting this growth is a renewed focus on strengthening relationships across the cruise industry and the broader tourism ecosystem. WICO remains committed to cultivating strong partnerships with cruise line stakeholders, including Carnival Cruise Line, Norwegian Cruise Line, Disney Cruise Line, MSC Cruises, Virgin Voyages, Holland America Line, Princess Cruises, Azamara, Crystal Cruises, Margaritaville at Sea, and Cunard. These relationships allow WICO to align with cruise line strategies, anticipate operational needs, and position the U.S. Virgin Islands as a reliable and competitive port of call.

WICO also remains actively engaged with key industry associations such as the Florida-Caribbean Cruise Association (FCCA) and CLIA. Recognizing that cruising is an integral part of the broader tourism landscape, WICO will establish a new strategic relationship with the Caribbean Tourism Organization (CTO), further strengthening regional connectivity and participation in discussions shaping Caribbean tourism development and sustainability.

Maintaining a strong presence within the cruise industry is essential to advancing WICO's long-term objectives. Accordingly, WICO staff will continue to participate in leading industry forums, including CLIA's Cruise360, the CLIA Cruise Forward Summit, and Seatrade Cruise Global. These engagements allow WICO to reinforce partnerships, monitor industry trends, and showcase St. Thomas as a forward-thinking and competitive destination.

At the local level, WICO remains focused on revitalizing the Havensight area to enhance the guest experience and improve operational efficiency. This includes continued evaluation of common areas, warehouses, water infrastructure, storage tanks, and commercial properties. Financially, WICO will pursue opportunities to diversify revenue streams by leveraging existing assets, exploring innovative partnerships, and identifying new business models that support long-term sustainability.

In closing, we thank the members of the Senate, our industry partners, and the dedicated team at the West Indian Company Limited for their continued commitment to strengthening the U.S. Virgin Islands cruise industry. Thank you for the opportunity to testify. I am happy to answer any questions you may have.