

February 10, 2026

**Testimony before the Committee on Government Operations, Veterans Affairs, and Consumer Protection**

Good Day Mr. Chairman, the Honorable Avery L. Lewis, Committee Members and fellow testifiers. My name is Kennon Jones. I am the Executive Director of the Virgin Islands Professional Charter Association (VIPCA) and appear today on behalf of our Board of Directors and over 700 members. We would like to thank the Chairman and Committee on Government Operations, Veterans Affairs, and Consumer Protection for inviting us to participate in this discussion on a comprehensive overview on industry impacts due to the BVI's charter vessel licensing fees as well as discussing practical solutions, policy adjustments, or forms of support the Legislature can pursue to help stabilize and strengthen the Blue Economy and the marine industry across the Territory

The U.S. Virgin Islands' marine industry and broader Blue Economy stand at a pivotal crossroads: invest and thrive, or continue to decline. The 2025 USVI Charter Yacht Show in November saw the lowest vessel attendance in its history outside of the pandemic years. Of the vessels that did attend, roughly two-thirds will operate out of the British Virgin Islands (BVI). By contrast, the British Virgin Islands celebrated their largest show ever—undeniably driven by companies shifting operations from the USVI to the BVI—taking with them 90 vessels and more than \$90 million in lost economic activity that otherwise would have remained in the U.S. Virgin Islands.

The BVI continues to accelerate its advantage. A \$30–\$40 million expansion of Nanny Cay Marina is underway to accommodate mega yachts and large catamarans that currently rely on Yacht Haven Grande in St. Thomas. Moreover, approvals for the long-awaited Terrance B. Lettsome (EIS) airport expansion continue to progress. Once completed, this will inevitably pull airlift capacity from Cyril E. King Airport (CEK), reducing incoming flights for residents and visitors and decreasing outbound travel choices for Virgin Islanders if airlines reposition routes to the BVI.

According to the Virgin Islands Bureau of Economic Research, the marine industry in 2024 generated approximately \$93 million in spending, \$43 million in wages, and a territorial economic output between \$69 million and \$133 million. Without corrective action, these numbers will decline.

Where do we go from here?

The Government of the U.S. Virgin Islands must seek fair treatment and reasonable fees from the BVI Government for USVI-based charter operators. Concurrently, the U.S. Virgin Islands must position itself as a destination of its own, rather than a gateway to the British Virgin Islands. We must grow local marine tourism by investing in infrastructure, workforce development, and business-friendly regulatory reform. On behalf of VIPCA membership and the marine industry as a whole, I propose the following actions to revitalize the marine industry and secure the future of the U.S. Virgin Islands.

### **1. Invest and Build Locally**

Current DPNR and CZM permitting processes are prohibitive to growth. LimeOut St. Thomas required three full years to secure approvals and navigate red tape to expand to a second location. How can we hope to compete with the BVI's diverse tourism offerings when even our most iconic marine attractions face such avoidable delays?

Beyond new attractions, the USVI urgently needs basic dinghy and small-craft access docks so that guests aboard charter vessels can easily reach shoreside businesses. When visitors step off their vessels and access restaurants, shops, and services, they spend money locally. That local spend and economic activity stays in the Territory rather than flowing to the BVI. Areas of particular importance include:

- Downtown Charlotte Amalie
- Red Hook
- Cruz Bay and Coral Bay, St. John
- St. Croix's Boardwalk and the Frederiksted Cruise Pier Area

One of the most impactful improvements with minimal environmental impact would be establishing managed beach access and moorings at Magens Bay. A simple dinghy tie-off line on floats near shore, similar to the successful system used in the St. John National Park, and/or a designated area for day boats to "stern to" the beach would create a world-class stop for charter guests. The shoreside amenities already exist: a restaurant, bar, restrooms, and supporting infrastructure. A management agreement allowing for reasonable user fees, properly installed moorings, and mooring fees could fully fund installation, maintenance, and ongoing operations as well as support conservation efforts.

Under Title 12, Section 910 of the Virgin Islands Code, the Legislature may act in place of the CZM Committee to expedite permit approvals in the public interest. We strongly encourage using this authority to rapidly develop this essential marine infrastructure.

## 2. Invest in Infrastructure and Skills Training

Over the past eight years, VIPCA has delivered marine apprenticeship training to nearly 100 Virgin Islanders seeking long-term careers in the marine trades. A strong marine industry produces strong local jobs.

The single most transformative investment the USVI can make is the development of a world class shipyard in St. Thomas, ideally at the former Adelita Cancryn School property or another suitable location in St. Thomas. Such a facility could host the Caribbean's largest vessel-lifting and repair capacity and serve as a training hub for technical trades, apprenticeships, and longterm, high-wage careers.

Without a functioning shipyard, we cannot expect to expand the marine trades or even maintain them. With the impending closure and relocation of Subbase Dry Dock, the USVI will lose the ability to service and inspect its own ferry fleet.

## 3. Implement Business-Friendly Regulations

The dollar thresholds for Major CZM Permits have not been updated since 1979. As a result, any project exceeding \$55,000—even a modest beach bar or public dock—triggers the same permitting requirements as constructing a cruise pier. This stifles small and medium-scale development. Additionally, operating a charter business in the USVI is more expensive than in the BVI. The USVI can narrow this gap by:

- Reducing the Gross Receipts Tax for charter operators
- Eliminating duplicative DLCA licensing requirements

A vessel's commercial registration with DPNR, along with mandatory safety inspections, should serve as sufficient licensing to operate legally.

A one-stop shop for commercial vessel registration should be established. Bureaucracy is poison to innovation and growth. A simple DLCA-managed portal that enables vessels to be registered for commercial work in a single streamlined process would eliminate the current multidepartment overlap, which slows business, increases costs, and discourages investment.

## 4. Revive the Sport Fishing Industry and the Boy Scout Open

From 1972 to 2017, St. Thomas hosted the world-renowned Virgin Islands Open/Atlantic Blue

Marlin Tournament, known as the “Boy Scout”—once called “The Super Bowl of Big-Game Fishing.” New licensing restrictions imposed by the BVI ultimately ended the tournament, along with the millions of dollars in economic activity it generated.

We urge the Government of the U.S. Virgin Islands to work with the Government of the British Virgin Islands to establish reciprocal licensing, customs, and fishing agreements that would relaunch the tournament to the benefit of both territories. With fleets based at American Yacht Harbor and Scrub Island Marina, proceeds could again support Scouting organizations in both the USVI and BVI.

## **5. Prioritize Environmental Stewardship and Derelict Vessel Removal**

The Territory must fully utilize federal and local resources to remove the many abandoned and derelict vessels that continue to pollute our waters and pose navigational hazards. These vessels can be reprocessed locally, with crushed fiberglass repurposed as aggregate material for concrete and asphalt—reducing the long-term costs of road and infrastructure repairs.

Importantly, federal grants for environmental cleanup, resiliency, and coastal restoration projects typically require matching funds. To ensure the USVI can fully capitalize on these opportunities, the Government should establish a dedicated matching fund specifically reserved for environmental and marine infrastructure grants.

A portion of each vessel’s DPNR registration fee should be directed into this dedicated matching fund, ensuring a reliable and sustainable revenue stream that unlocks federal dollars and enables timely removal of abandoned and derelict vessels. This approach guarantees that the Territory is never forced to forgo federal support simply due to a lack of matching dollars.

The opportunity is here, and the time is now, to make bold investments and forward-thinking decisions that will secure the future of the U.S. Virgin Islands’ blue economy. We stand ready to support and assist in implementing these recommendations and respectfully request your feedback and engagement.

Sincerely submitted,



Kennon Jones, Executive Director  
Virgin Islands Professional Charter Association