

BILL NO. 36-0194

Thirty-Sixth Legislature of the Virgin Islands

October 27, 2025

A resolution urging the United States Congress and the Office of the United States Trade Representative to expand and modernize the Caribbean Basin Initiative (CBI) to further support economic growth and development in the Virgin Islands and the wider Caribbean region

PROPOSED BY: Senator Angel L. Bolques, Jr.
Sponsors: Carla J. Joseph, Alma Francis Heyliger and
Marvin A. Blyden
Co-sponsors: Hubert L. Frederick, Ray Fonseca, Avery L. Lewis
and Milton E. Potter

1 **WHEREAS**, the Caribbean Basin Initiative (CBI), originally enacted through the
2 Caribbean Basin Economic Recovery Act (CBERA) in 1983 and expanded by the Caribbean
3 Basin Trade Partnership Act (CBTPA) in 2000, was designed to promote economic
4 development and stability in the Caribbean region through preferential duty-free access to the
5 U.S. market;

6 **WHEREAS**, the Virgin Islands, as an unincorporated territory of the United States,
7 occupies a unique position as both an integral part of the nation and a vital Caribbean partner,
8 serving as a strategic bridge for hemispheric trade, cultural exchange, and regional diplomacy;

9 **WHEREAS**, the Virgin Islands possess a unique posture being geographically located
10 in the Caribbean and a territory of the United States, where goods may be shipped to the
11 territory for transshipment into qualifying vessels for entry into United States consistent with
12 applicable federal law and;

1 **WHEREAS**, the territory’s location outside of the United States customs zone and the
2 availability of foreign trade zone mechanisms create opportunities for trade facilitation and
3 tariff treatment consistent with federal standards; and

4 **WHEREAS**, foreign raw materials or component products that are substantially
5 transformed into new articles of commerce within the Virgin Islands may qualify for treatment
6 as products of the Virgin Islands for entry into the United States market;

7 **WHEREAS**, as a participant in the Caribbean Basin Initiative, the Virgin Islands has
8 benefited from trade preferences that support key industries such as rum production, light
9 manufacturing, sustainable agriculture, and marine-based commerce, thereby stimulating local
10 employment and investment;

11 **WHEREAS**, while the Virgin Islands is not classified as a beneficiary country under the
12 Caribbean Basin Trade Partnership Act due to its territorial status, the territory nonetheless
13 shares aligned economic interests with the Caribbean region and remains a strategic
14 stakeholder in regional trade development, policy integration, and sectoral cooperation under
15 the broader CBI framework;

16 **WHEREAS**, the global economy has evolved significantly since the original enactment
17 of the CBI, and modernization is now needed to incorporate emerging priorities such as digital
18 services, renewable energy, climate-resilient infrastructure, sustainable manufacturing, and fair
19 labor practices;

20 **WHEREAS**, the Virgin Islands and the broader Caribbean region remain highly
21 vulnerable to the impacts of climate change, including sea level rise, hurricanes, and supply
22 chain shocks, and would benefit from expanded CBI provisions that incentivize green
23 infrastructure, carbon-neutral development, and economic resilience;

24 **WHEREAS**, the Virgin Islands and the broader Caribbean region remain strategically
25 significant for the national security and economic development of the Western Hemisphere,

1 including countering threats of human trafficking, narcotics trafficking, and economic
2 infiltration from hostile countries, such as China;

3 **WHEREAS**, the impending expiration of the CBTPA on September 30, 2030, presents
4 a critical opportunity for the United States to reaffirm and strengthen its long-term economic
5 commitment to the Caribbean region, including the Virgin Islands; and

6 **WHEREAS**, equitable engagement of U.S. territories and Caribbean nations in any
7 modernization of the CBI is essential to ensure the program fosters shared prosperity, regional
8 cohesion, and meaningful opportunities for small and medium-sized enterprises (SMEs); Now,
9 Therefore,

10 ***Be it resolved by the Legislature of the Virgin Islands:***

11 **SECTION 1.** The Legislature of the Virgin Islands urges the United States Congress to
12 modernize and permanently reauthorize the Caribbean Basin Initiative and the Caribbean Basin
13 Trade Partnership Act to reflect 21st-century economic realities, including support for digital
14 services, clean energy, advanced manufacturing, climate adaptation, and emerging sectors,
15 such as financial technology, educational services, green and renewable energy, creative
16 industries, the blue economy and digital infrastructure and also affirms the importance of
17 legacy export sectors, such as rum production and export, which reflect the modern economic
18 priorities of the Virgin Islands and the wider Caribbean.

19 **SECTION 2.** The Legislature further urges that any modernization effort explicitly
20 include the Virgin Islands as a stakeholder and partner, with opportunities for direct
21 participation and benefit under all CBI-related frameworks, policies, and review processes. The
22 Legislature also urges that in any modernization of the Caribbean Basin Initiative or related federal
23 trade preference programs, the unique status of the Virgin Islands as an unincorporated territory of the
24 United States be expressly recognized. The Legislature emphasizes that the Virgin Islands, while
25 geographically located in the Caribbean, is politically and constitutionally a part of the United States,

1 and its role in regional trade should reflect both its domestic economic interests and its strategic position
2 as a conduit for United States and Caribbean economic engagement.

3 **SECTION 3.** The Legislature encourages the Office of the United States Trade
4 Representative to consult with the Virgin Islands and relevant Caribbean stakeholders to ensure
5 equitable implementation and policy alignment under the revised CBI framework.

6 **SECTION 4.** The Legislature further urges that special consideration be given to the
7 establishment of a Virgin Islands International Ship Registry as a component of broader
8 modernization efforts. Such a registry would support the restoration of American maritime
9 leadership by enhancing United States maritime competitiveness, strengthening national
10 security and sanctions enforcement, expanding lawful United States influence over
11 international shipping and generating new streams of revenue and workforce development for
12 the United States and its territories. This initiative would be pursued in full compliance with
13 existing statutory authorities and international obligations.

14 The Legislature respectfully requests that the Virgin Islands be granted a permanent
15 consultative role in any present or future federal policy discussions, administrative rulemaking,
16 or legislative proposals concerning the modernization of the Caribbean Basin Initiative,
17 Caribbean Basin Trade Partnership Act, or similar trade programs impacting the region.

18 **SECTION 5.** The Legislature further encourages the Office of the United States Trade
19 Representative and the United States Department of Commerce to promote and facilitate the
20 use of the unique status of the Virgin Islands for:

21 (1) the transshipment of goods into qualifying non-United States-made or non-
22 United States-flagged vessels consistent with applicable federal law; and

23 (2) the substantial transformation of foreign raw materials or component
24 products into new and distinct products within the Virgin Islands, qualifying for entry
25 into the United States market under applicable federal standards.

