VIRGIN ISLANDS PORT AUTHORITY
PUBLIC HEARING

VIRGIN ISLANDS PORT AUTHORITY
ST. CROIX • ST. THOMAS • ST. JOHN

MARINE TARIFF AMENDMENTS TO FEES FOR CRUISE SHIPS BERTHING IN THE ST. THOMAS/ST. JOHN DISTRICT

CARLTON DOWE, EXECUTIVE DIRECTOR

OCTOBER 15, 2024
6:00 P.M.
ST. THOMAS, U.S. VIRGIN ISLANDS

VIPA MARINE TARIFF PUBLIC HEARING

OCTOBER 15, 2024

AGENDA

- About the Virgin Islands Port Authority
- The West Indian Company Ltd. Dock in Havensight
- VIPA's Marine Tariff
- What is Changing in the VIPA Marine Tariff (Proposed Amendments)
- Reasons for the Proposed Marine Tariff Amendments
- The Charlotte Amalie Harbor Dredging Project
- Cruise Ship Fees Charged at Each USVI Port Per the Tariff
- Question & Answer

ABOUT THE VIRGIN ISLANDS PORT AUTHORITY

The Virgin Islands Port Authority was created by Act No. 2375 of the Legislature of the Virgin Islands in 1968 as an autonomous government agency of the U.S. Virgin Islands to manage the territory's air and seaports. The Virgin Islands Port Authority has jurisdiction over the airports, harbors, and public marine facilities under its ownership or control. VIPA generates operating revenues via facility user fees and rents charged to use its properties.

Airports

1. Cyril E. King Airport – STT
2. Henry E. Rohlsen Airport – STX

Cruise Ports

1. Austin "Babe" Monsanto Marine Terminal, STT
2. Ann E. Abramson Marine Facility, STX

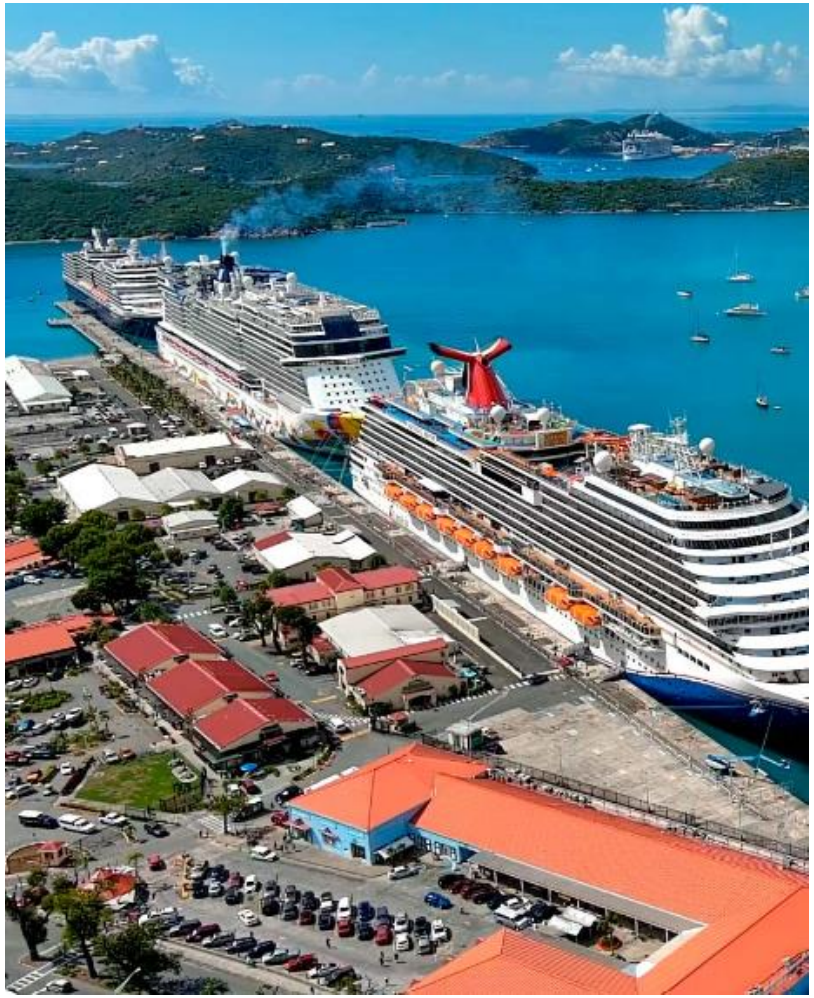
Ferry and/or Cargo

1. Crown Bay Cargo Port, Crown Bay, STT
2. Charles F. Blair Seaplane Terminal, Charlotte Amalie, STT
3. The Waterfront and Edward Blyden IV Marine Terminal, Charlotte Amalie, STT
4. Urman V. Fredericks Marine Terminal & Noel Boynes Car Ferry Dock, Red Hook, STT
5. Loredon L. Boynes Sr. Dock, Cruz Bay, STJ
6. Victor W. Sewer Marine Facility (The Creek), Cruz Bay, STJ
7. Theovald Moorehead Dock and Terminal, Enighed Pond, STJ
8. Gallows Bay Marine Facility, Christiansted, STX
9. Svend Aage Ovesen Sr. Seaplane Terminal, Christiansted, STX
10. Wilfred "Bomba" Allick Port and Transshipment Center (Containerport), Krause Lagoon, STX
11. Gordon A. Finch Molasses Pier, Krause Lagoon, STX

THE WEST INDIAN COMPANY DOCK (WICO)

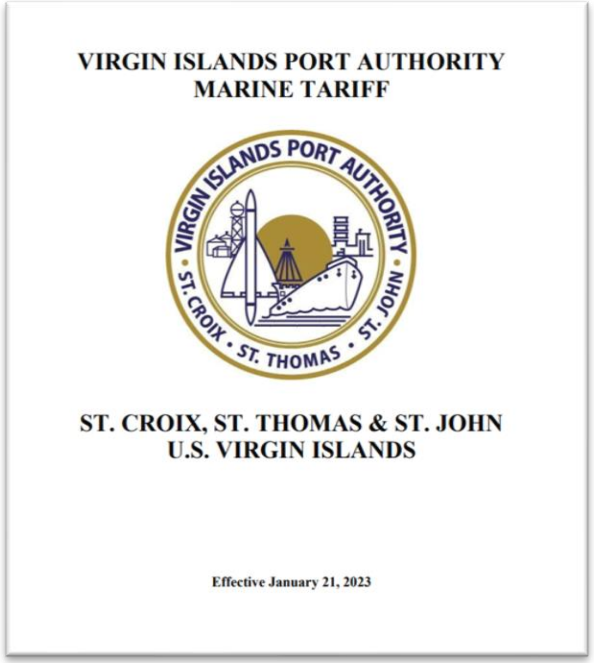
Havensight, St. Thomas

https://wico-ltd.com/



- The West Indian Company Limited owns and operates the cruise ship dock in Havensight, St. Thomas.
- Although the WICO Dock is not owned or managed by VIPA, the Port Authority is required by statute to maintain the public harbors of the USVI, including dredging when necessary to ensure safe entry for all ships docking at WICO.
- All cruise ships entering the harbors pay port dues to VIPA. WICO collects a wharfage fee from all ships that use its dock.

VIPA'S MARINE TARIFF


VIRGIN ISLANDS PORT AUTHORITY
MARINE TARIFF

VIRGIN ISLANDS PORT AUTHORITY
ST. CROIX • ST. THOMAS • ST. JOHN

ST. CROIX, ST. THOMAS & ST. JOHN
U.S. VIRGIN ISLANDS

Effective January 21, 2023

Available online:
www.viport.com/rates-statistics

- The Virgin Islands Port Authority's Marine Tariff is published by VIPA per Section 543, Chapter 10, Title 29 of the VI Code.
- It was last amended on January 21, 2023.

HOW ARE VIPA'S MARINE TARIFF RATES ESTABLISHED?

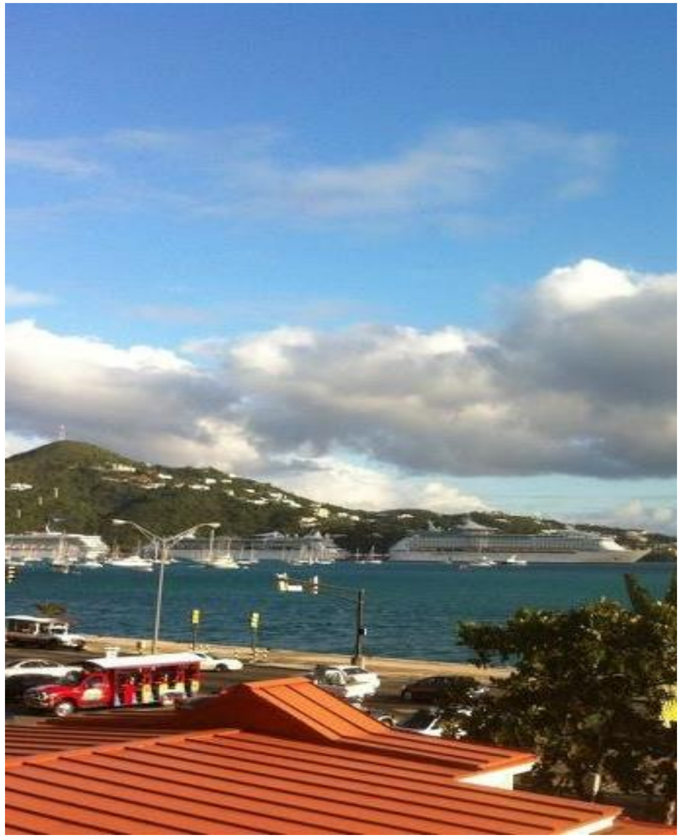
- Cruise ship fees are established by the VIPA Marine Tariff, or via a contract with the cruise lines.
- A public hearing is held if the tariff is changed per the VI Code. 29 V.I.C. § 543(12)
- The new fees are applied according to the date approved by the Authority's Board of Governors.

WHAT IS CHANGING IN THE VIPA MARINE TARIFF?

- **Increase port dues by $3 per passenger** for cruise ships entering St. Thomas/St. John District to fund the Charlotte Amalie Harbor Dredging Project.
  Current Rate: $6.84 per passenger
  New Rate: $9.84 per passenger

- **Increase wharfage fees by 44 cents** per passenger for cruise ships entering the St. Thomas/St. John district to fund marine operations and expenses.
  Current Rate: $7.80 per passenger
  New Rate: $8.24 per passenger

- The proposed new rates will **only** apply to ships docking in the St. Thomas/St. John District. This tariff amendment does not apply to the fees charged to cruise ships berthing in St. Croix.
- **VIPA Board Approved Proposed Increase: September 24, 2024**
- **VIPA Requested a Meeting with All Members of the Florida-Caribbean Cruise Association (F-CCA):**
  Correspondence dated **September 27, 2024**



REASONS FOR THE TARIFF CHANGES

- **$3 Increase in Port Dues to fund the Charlotte Amalie Harbor Dredging Project.**
  VIPA is responsible for dredging the USVI's harbors but does not have the financial resources to do so. The Government of the VI is assisting with funding the Charlotte Amalie Harbor Dredging, but it will not cover all costs. VIPA must establish a funding source for this and other major harbor dredging projects.

- **The $0.44 Cents increase in Wharfage will be used to fund VIPA marine operations territory-wide.**

- **Effective Dates of the Increases:**

- Wharfage at the WICO Dock	January 1, 2025
- Wharfage in Crown Bay & St. John	by April 1, 2025
- Port Dues in the St. Thomas/St. John District	by April 1, 2025
- St. Croix District	No change

THE CHARLOTTE AMALIE HARBOR DREDGING PROJECT

- **PROJECT DETAILS**
  – The West Indian Company and some cruise lines (Disney, Norwegian, Carnival) requested that the harbor be dredged to minus 40 feet.

  – VIPA will dredge the harbor entrance channel to minus 40 feet.

- **U.S. ARMY CORP APPROVED:**
  - VIPA has received all necessary approvals from the U.S. Army Corps of Engineers to begin the project.

PROJECT TIMELINE

Request for Proposal (RFP) to be Issued	End of October 2024
RFP Responses Due	December 2024
Bid Award by VIPA Board	January 2025
Anticipated Project Start Date	Second quarter of 2025
Anticipated Project Completion Date	24 months after the project begins

WHY DREDGING IS NECESSARY

- Ship sizes continue to increase. The harbor channel depth needs to increase for safe navigation of these larger ships.
- A request was received from WICO for VIPA to undertake the dredging for safety purposes and to accommodate the larger vessels.
- It is no secret that the cruise industry is a major economic benefit for the territory. Therefore, VIPA has initiated this dredging project.
- Dredging is also needed to address sediment build-up over the years caused by vessel movement in our harbors, storms, and land-side runoff.

Top 10 Largest Cruise Ships in the World and Weight (Tonnage)

1. **Icon of the Seas** (Royal Caribbean): 248,663
2. **Utopia of the Seas** (Royal Caribbean): 236,473
3. **Wonder of the Seas** (Royal Caribbean): 235,600
4. **Symphony of the Seas** (Royal Caribbean): 228,081
5. **Harmony of the Seas** (Royal Caribbean): 226,963
6. **Oasis of the Seas** (Royal Caribbean): 226,838
7. **Allure of the Seas** (Royal Caribbean): 225,282
8. **MSC World Europa** (MSC Cruises): 215,863
9. **Costa Toscana** (Costa Cruises): 186,364
10. **P&O Arvia** (P&O Cruises): 185,581

Source: DNV and VesselFinder as of 11 Sep 2024

CRUISE SHIP FEES CHARGED PER TARIFF TO SHIPS BERTHING IN **THE WEST INDIAN COMPANY LTD. DOCK IN HAVENSIGHT, STT**

FEE	CURRENT AMOUNT	INCREASE AMOUNT	TOTAL	WHICH AGENCY RECEIVES THE FEE
PORT DUES	$6.84	**$3.00**	**$9.84**	VIPA
WHARFAGE	$7.80	**$0.44**	**$8.24**	**WICO**
MARINE TERMINAL TAX PER ACT 7494	$1.00	No change	$1.00	VIPA *Only charged in STT/STJ



CRUISE SHIP FEES CHARGED PER TARIFF TO SHIPS BERTHING IN **CROWN BAY, ST. THOMAS AND CRUZ BAY, ST. JOHN** -- CHARGED PER REVENUE PASSENGER

FEE	CURRENT AMOUNT	INCREASE AMOUNT	TOTAL	WHICH AGENCY RECEIVES THE FEE
PORT DUES	$6.84	**$3.00**	**$9.84**	VIPA
WHARFAGE	$7.80	**$0.44**	**$8.24**	VIPA
MARINE TERMINAL TAX PER ACT 7494	$1.00	No change	$1.00	VIPA *Only charged in STT/STJ




CRUISE SHIP FEES CHARGED PER TARIFF TO SHIPS BERTHING IN

FREDERIKSTED, ST. CROIX

NO CHANGES WILL BE MADE TO ANY RATES CHARGED TO CRUISE SHIPS BERTHING IN ST. CROIX

FEE	CURRENT AMOUNT	INCREASE AMOUNT	TOTAL	WHICH AGENCY RECEIVES THE FEE
PORT DUES	$3.45	No change	$3.45	VIPA
WHARFAGE	$3.55	No change	$3.55	VIPA



QUESTION AND ANSWER

VIPA TEAM

- **Carlton Dowe,** Executive Director
- **Anise Hodge,** Deputy Executive Director
- **Joseph Cranston Jr.,** Marine Manager, St. Thomas/St. John District
- **Preston Beyer,** Director of Engineering
- **Anna M. Penn,** Chief Financial Officer
- **Ava Penn,** Director of Financial Affairs
- **Catherine Hendry, Esq.,** Legal Counsel
- **Vincent Frazer, Esq.**, Senior Staff Attorney
- **Larry Belinsky,** VIPA Financial Consultant – Frasca

PUBLIC INFORMATION OFFICE: (340) 774-1629 EXT. 6640
MARINE MANAGER'S OFFICE STT/STJ: (340) 774-2250
WWW.VIPORT.COM INFO@VIPORT.COM