The Virgin Islands Consortium

VIPA Approves Amended Working Agreements For Cruise Ports Expansion, Writes Off $1.9 Million in Bad Debts

Government / **Published On October 19, 2023 06:28 AM /**

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VIPA's Carlton Dowe, (6th from left) flanked by Royal Caribbean, Cruise Terminals International, VIPA Board and Bryan Administration officials on Wednesday, Oct. 10, 2023 in Crown Bay. **By. ERNICE GILBERT, V.I. CONSORTIUM**

Thursday's board meeting of the V.I. Port Authority resulted in a green light for Executive Director Carlton Dowe and his team to continue working with international partners to develop and expand the territory's cruise ports.

The board was asked to authorize Mr. Dowe to negotiate a “pre-development agreement” with Cruise Terminals International LLC and Royal Caribbean Group for the development of the Crown Bay district, and the construction of a third berth in Subbase. Royal Caribbean Group is also working with VIPA to upgrade the Anne Abrahmson port in Frederiksted St. Croix.

The funds already expended by VIPA on the project thus far will be reimbursed, the board was told, once the new Capital Cost Recovery Charge (CCRC) begins to be assessed in January of next year. With 600,000 cruise passengers expected to visit the territory in 2024 on Royal Caribbean ships, the first year of the enhanced CCRC is expected to net in the region of $3 million for VIPA.

A motion for approval was easily passed with the concurrence of all board members present. Mr. Dowe was pleased with the decision, saying that the territory’s cruise industry stood to reap immense benefits. “We are excited to advance to the next phase of this project which will include new developments at our cruise ports and land-side attractions on St. Croix and St. Thomas," he said. "I have frequently stated that the Caribbean and the rest of the world are not waiting for the USVI to advance. This public/private partnership guarantees that the USVI will maintain its esteemed position as the premier destination in the Caribbean,” he noted.

Board members also discussed whether to write off $1.9 million in accounts receivable as bad debt. It was explained that many of these outstanding receivables have gone beyond the legal collection period, and have remained unpaid despite the best efforts of the accounts receivables team. In one instance, board members were informed that a disputed water bill remained outstanding, accruing interest for years, although VIPA did not have the necessary documentation to substantiate. It is debts like these, board members were told, that are eligible to be written off as part of the $1.9 million.

After some discussion, the bad debt writeoff was approved.

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