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VIPA and Crowley Sign New 10-Year Agreement; Deal Praised for Boosting Economy, Saving Jobs

Ten-year strategic pact promises economic growth and modernization of maritime infrastructure

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Brett Bennett, SVP and GM for Crowley Logistics, seated left, and VIPA Executive Director Carlton Dowe as they executed a 10-year lease agreement in Jacksonville, FL on Tues. Feb. 13, 2024. They were flanked by other VIPA and Crowley officials. By. ERNICE GILBERT, V.I. CONSORTIUM

JACKSONVILLE, FLORIDA — In an important development for the U.S. Virgin Islands' maritime sector, the V.I. Port Authority and Crowley Maritime have inked a new 10-year agreement ensuring continued operations in the USVI.

The contract signing, held in Jacksonville, Florida, on Tuesday, was the culmination of 10 months of intense negotiations between VIPA Executive Director Carlton Dowe, other Port Authority officials, and Crowley executives. The signing ceremony marks a continuation of the relationship between the two entities, which had faced uncertainty and risked the potential redundancy of 65 local employees.

The agreement confirms Crowley's commitment to the USVI, where the company operates with a substantial workforce involved in operations, warehousing, and various other services. This collaboration is part of Crowley's larger operation as a leading maritime, energy, and logistics solutions company, with \$3.4 billion in annual revenues, over 170 vessels, and approximately 7,000 global employees.

During the ceremony, Crowley executives underscored the importance of the agreement for both their business and the USVI, aligning with the company's purpose of making positive contributions to people and the planet. The deal is seen as a strategic advancement, particularly for Crowley's Caribbean island services, which include a 10-day direct sailing from Port Everglades and a network of offices and terminals in St. Thomas and St. Croix.

Brett Bennett, SVP and general manager for Crowley Logistics, highlighted the lease as an enabler for a broad range of services and praised the partnership's role in enhancing Crowley's commitment to integrity, sustainability, and safe passage for cargo. The Port Authority's collaboration with Crowley was crucial in securing a significant grant to facilitate the expansion and modernization of the territory's maritime infrastructure.

VIPA Executive Director Dowe said the agreement is yet another pillar that will contribute to strengthening the USVI's economy. He emphasized a particular focus on St. Croix for Crowley expansion. "The partnership bodes well for the territory," the executive director said, adding that it stands as a testament to the strength of public-private collaborations and the shared vision of progress for the maritime industry and the broader community in the USVI.

Despite the protracted negotiations period, the two organizations maintained a dialogue that ultimately led to a successful agreement. Mr. Dowe added that the new lease will help with the territory's disaster recovery, facilitating the movement of equipment and material needed for the rebuilding of hospitals, schools, and new hotel projects.

Importantly, the new agreement aligns with a substantial federal grant, demonstrating the fruitful partnership between VIPA, its maritime partners and the U.S. Department of Transportation. VIPA has committed to a \$5.4 million local match — \$2.7 million being provided by Crowley and Tropical Shipping — which allowed VIPA to secure \$21.9 million in funding from the federal government. This funding will significantly bolster maritime infrastructure, reinforcing the vital economic link between the USVI and the broader Caribbean region.