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Casino Bill for Cruise Ships in St. Croix Approved Amid Concerns Over Economic Gains and Frederiksted's Readiness for Tourists

Lawmakers approved bill allowing cruise ship casinos to operate while docked in St. Croix, but raised concerns about the lack of clear economic benefits and the urgent need for infrastructure improvements to accommodate increased tourist traffic

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Nelcia Charlemagne **October 17, 2024**

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The Carnival Glory Cruise Ship in Frederiksted, St. Croix in 2019. By. ERNICE GILBERT, V.I. CONSORTIUM

During Wednesday's Committee of the Whole meeting, lawmakers considered new legislation to allow cruise ships berthed on St. Croix to operate their casinos while docked. Despite some initial

reservations, most lawmakers eventually voted in favor of the measure, allowing St. Croix the same provisions that have existed in the St. Thomas-St. John District for over a decade.

Bill 35-0389 was supported by the V.I. Port Authority, which operates the Ann E. Abramson Marine Facility in Frederiksted, St. Croix. VIPA Assistant Executive Director Bill Rawlins told lawmakers that in St. Croix, “ships often leave early because they are anxious to reopen their onboard casinos.” VIPA expects such a move would “encourage return visits and increase the demand to cruise to the island.”

“Approximately 90% of cruise passengers venture off the ship to explore our islands,” Mr. Rawlins noted. “They shop in our local stores, dine in our restaurants, and enjoy land and sea excursions while enriching our economy.” Both VIPA and the Department of Tourism expect that longer stays will create opportunities to supply fresh food and water to the cruise ships, another income generator for the territory.

Dept. of Tourism Commissioner Joseph Boschulte said DOT has “made significant strides in re-establishing the United States Virgin Islands as a premier cruise destination” in the wake of the Covid-19 pandemic, increasing passenger arrivals by “151% since 2021.”

The proposal, said Mr. Boschulte, would “provide the cruise industry with an added incentive to increase berths at St. Croix port, which could in turn increase the number of passengers visiting our shores.” Tourism officials expect that with more tourists spending more time on St. Croix, increased economic activity is inevitable. “This proposed legislation makes St. Croix a more attractive destination compared to our competitors,” the commissioner argued.

Yet while several lawmakers were just as hopeful as Mr. Boschulte, others like Senator Samuel Carrion wanted to know what data was driving the decision. “I don't know how that will benefit us if they're allowed to open the casino within our waters,” he said. He also wondered whether any cruise operators had signed onto a memorandum of understanding to indeed realize anticipated spending increases.

Cruise operators, explained Mr. Boschulte, “have not given any concrete commitments, because the bill is not finalized.” By way of reply, Sen. Carrion told the commissioner “that doesn't make much sense to me.” Mr. Boschulte countered, “if I was a cruise line, I wouldn't commit to bringing something that I don't know what the finished product is...we don't know what the fee is going to be.”

There are currently no concrete plans to charge a casino license fee to cruise ship operators, much to the chagrin of Senator Marise James. She argued that the territory has not benefited from allowing cruise ships in the St. Thomas-St. John District to operate their casinos, a position with which Mr. Boschulte disagreed. “The benefit is the ship staying longer, the passengers off the ship longer, spending more on the island versus being on the water and leaving port earlier,” he argued. According to Ms. James, cruise ships are charged to operate their casinos in several other jurisdictions. “That has been brought to the table, however, there are lots of other questions,” replied Mr. Boschulte. Senator Diane Capehart, in another appeal to Mr. Boschulte, also argued that “there should be some kind of cost [or] some kind of tax.”

The bill reportedly received no objection from casino owners in St. Croix. Marvin Pickering, CEO of the Casino Control Commission testified on their behalf. The Legislature will not permit resident Virgin Islanders to embark on cruise ships to gamble, making the potential impact on local casinos “negligible,” he said. Mr. Pickering, however, encouraged lawmakers to align the

Legislature with the laws guiding cruise ship casino operations in the St. Thomas-St. John District. Act 6287 allows cruise ships in that district to operate their casinos after 5 p.m. for passenger use.

Meanwhile, Senator Donna Frett-Gregory was interested in a holistic approach. “Have we had discussions with tour operators...for night tours... If we were to call a tour operator today or a taxi driver in St. Croix, would they say that they had a discussion about this and they're good with it?” she wondered.

Mr. Boschulte has apprised the Legislature of the need to develop parts of Frederiksted frequented by visitors ahead of the anticipated boom in arrivals in the next few years. He suggested instituting a task force to “address critical operational needs such as taxi availability, restaurant and retail hours and the marketing of after-hour offerings.”

Ultimately, Senators Alma Francis Heyliger and Franklin Johnson voted against the bill, while Marvin Blyden, Diane Capehart, Samuel Carrion, Dwayne DeGraff, Ray Fonseca, Angel Bolques, Novelle Francis, Donna Frett-Gregory, Carla Joseph, Kenneth Gittens, Marise James, Javan James, and Milton Potter voted in favor.