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BVI's Drastic Fee Hike Proposal on USVI Yacht Charters Sparked Bryan's 25% Tariff Retaliation

Bryan calls for an emergency legislative meeting to impose a 25% tariff on BVI goods in response to proposed legislation raising charter fees, a move USVI marine industry leaders warn could severely impact local businesses.

Business / **Published On February 20, 2025 04:40 AM /**

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Yacht charter in St. Thomas, USVI.

Governor Albert Bryan on Wednesday called for an emergency meeting with USVI lawmakers [to impose a 25% tariff on goods imported from the British Virgin Islands](#). The move, leveraging a strategy famously used by President Donald Trump, comes in response to pending legislation in the BVI that would significantly increase fees for commercial yacht charters entering the territory,

a measure that could severely impact the U.S. Virgin Islands' charter sailing industry.

Proposed amendments to the Commercial Recreational Vessels Licensing Act, first passed in 1992, would increase annual fees for overnight operator to \$24,000 from the current \$400 — a 60-fold jump. Day sail operators would see a similarly staggering increase. The amendment would cause their fees to rise from \$200 to \$12,500.

A well-attended meeting of the Virgin Islands Professional Charter Association on Tuesday evening was convened to discuss the matter. “Marine tourism is a vital economic driver to the USVI, contributing more than \$100 million annually,” noted Staci Smith, VIPCA's executive director. “Proposed BVI increases threaten the USVI charter industry's growth and viability.”

Invited to address the gathering, chair of the Marine Association of the BVI Andrew Ball began with the “one simple message” that he says officials in the neighboring territory “really want to get across - we love you guys.”

Explaining that the legislation governing the BVI's commercial marine space “is not what we've wanted it to be for a long time,” Mr. Ball said that local interests have themselves been scrambling to understand the ramifications of the new proposal. “We've rushed to get all of our different sub-sectors together,” he said, noting that there are a number of competing interests within the industry.

However, there is broad agreement on at least one thing, Mr. Ball noted: “We want the USVI at the table.” As much as 80% of the trade at some service providers in the BVI came from USVI businesses. “We can't deny that,” said Mr. Ball, urging a collaborative approach.

However, the first commenter of the evening, an operator named Jared who said he has been in the industry for the past 18 years, cast doubt on whether deliberation and communication between USVI and BVI authorities would continue to be useful. Noting that high-level discussions have been held on the issue before, the speaker fretted that nothing has moved the needle. “Fees keep going up, more paperwork, more processes. They kind of smile and placate us,” Jared remarked.

“It's obvious that they're protecting and trying to grow their industry at a government level, and our government has no part of that for us,” he continued, predicting the closure of some USVI-based charter companies, and the raising of rates by others. “There will be a breaking point for our customers, you know, and a lot of them are already experiencing that.”

He suggested a retaliatory measure whereby BVI residents are charged more by the Port Authority to cross over into the USVI, in a bid to create some awareness among the BVI population, and perhaps generate some pushback.

Governor Bryan did just that. “For too long, we have experienced economic leakage and inconsistencies in our trade relationship with the BVI,” Mr. Bryan said in his letter to Senate President Milton Potter calling for the emergency meeting. It is time we take decisive action to protect our local industries, generate revenue for essential services, and create a more balanced regulatory framework.”

Another attendee of the VIPCA meeting, Aubrey, said that the meetings he has attended over the past almost four decades “seem to go down the same road every time.” He questioned how much attention the GVI was giving to the issue. “I think the only government that's involved is the BVI government,” Aubrey said, suggesting that industry concerns need to be escalated “to the highest level” before they would be addressed. “Until it goes to the very top government officials, the

governor picking up the phone and talking to somebody on that side, nothing is going to get resolved,” he insisted.

“Everybody in this room, as well as folks in the BVI, are tired of having this conversation,” said Mark Eddy of VIPCA. “We really need to focus on a long term solution and not just kicking the can down the road on fees.”

Andrea King, owner of Island Yachts Charters, declared that “part of the problem is that we've acquiesced to the BVI for far too long.” She noted that during the pandemic, anchorages in the USVI were “busting at the seams” with BVI operators, as there were “no regulations in place for those folks to be here in USVI.” Once the threat from Covid had receded, however, the BVI operators returned to their home docks. The scenario of having a lax regulatory regime on the American side of the border and an increasingly stringent one on the British side is not new, Ms. King said, and have been slowly stifling USVI businesses. “It's killing Islands,” she said. “And we've been doing this for a very long time.” Charter business is down 70%, Mr. King disclosed.

Things were not always this way, the business owner noted. “Our reciprocal friendship with the BVI has always been fantastic. Covid hit and it went to hell in a handbasket,” she said, arguing however that the relationship could be restored easily. “The things that we do to run a US business on this side should be absolutely fine for the BVI,” Ms. King insisted. Going briefly through the numbers, she noted that her company can only spend a few days in BVI waters per year, making the elevated fees completely uneconomical. “We're dying. We're drowning,” Ms. King said.

Like others before her, she lamented that the USVI government “has not stepped up and recognized the plight of the marine industry, and we are in pain.” The posture of the BVI government is “killing the marine industry,” Ms. King argued.

President of the Virgin Islands Fishing Club Kelvin Bailey Jr. rose to give a stark warning to the boaters present during Tuesday's meeting. “What they did to the fishing industry, they're coming after you next,” he advised. He also suggested more stringent restrictions be imposed on BVI vessels coming to the USVI. “It doesn't have to be mean, doesn't have to be angry,” he said. “All I'm saying, it should be reciprocal.”

Mr. Eddy noted that it was not just charter companies at risk from the proposed legislation, but other businesses that supply the charter operators. One charter operator spends hundreds of dollars each month with a vendor that supplies ice. “If all the ice traffic goes away, what does that do to their business?” Mr. Eddy asked. He noted that profit margins in the industry are slim, and the impact of the huge fee hikes, among other proposed changes, would have a massive negative impact on the entire network of businesses surrounding the charter industry.

He held up the collaborative relationship developing between Anguilla and St. Barths as an example the USVI and BVI could follow. “That's what we should be striving for,” Mr. Eddy said, describing how the two other territories are “working together as a community to have much easier transit between islands, [with a] connected experience.”

Mr. Ball, representing the marine industry in the BVI, was sympathetic to the plight of the U.S. Virgin Islanders. “I think...that this is sort of historically one, and I think most of the stakeholders feel that way,” he offered, saying that he found the proposed legislative amendment to be a “band aid on a stack of band aids.” With the industry having grown and changed so significantly since the original legislation was enacted in the early 1990s, the iterative amendments have become unwieldy and unfit for purpose. “It's not a solution,” Mr. Ball argued. He disclosed that even

members of his organization were surprised by the amendment. “Three days after we got to an actual industry consultation, they pulled this out of the hat,” he said, saying that the government's effort to update regulations in this manner was “a little lazy.”

The goal now, according to broad consensus among VIPCA executives and meeting attendees, was to rally and co-ordinate a strong response to the proposed legislation, which would capture the attention of government officials on both the American and British sides of the border. Mr. Eddy urged operators and affiliated businesses to share their stories with VIPCA, so as to make a strong argument on the depth and breadth of the damage this amended law could cause to the industry.

Senator-at-large Angel Bolques Jr., who was in attendance on Tuesday evening, said that he was dismayed to learn of the inequity between USVI and BVI charter operators. While he wanted to avoid “a fees war” with the BVI, he says that seeking greater access to BVI waters is something that is “attainable and easy to reach” while negotiating a fee regime that is more palatable to operators.

Currently, the legislation is awaiting its second reading in the BVI House of Assembly, with Mr. Ball being hopeful that the outcry that has been raised will provide an opportunity for further discussion before parliamentarians vote on the measure.

However, with Governor Bryan's announcement of a plan to impose a 25% tariff on goods imported from the BVI, it remains to be seen how the situation will develop in response.