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## Marine Industry at “Pivotal Crossroads,” Charter Association Warns Lawmakers as BVI Gains Ground

**Testifying before lawmakers, V.I. Professional Charter Association Exec. Dir. Kennon Jones said delayed permitting, outdated CZM thresholds, and infrastructure gaps are weakening the USVI’s marine sector as companies relocate to the British Virgin Islands**

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The Virgin Islands’ marine industry is facing mounting competitive pressure from the British Virgin Islands and risks continued decline unless policymakers take deliberate corrective action, according to Kennon Jones, executive director of the Virgin Island Professional Charter Association.

Appearing Tuesday before the Committee on Government Operations, Veterans Affairs, and Consumer Protection, Mr. Jones warned that the territory's marine sector and "broader blue economy" are at a "pivotal crossroads: invest and thrive or continue to decline." His testimony followed a recent decision by the British Virgin Islands to impose significant increases in charter fees for foreign-based vessels — a move local stakeholders have characterized as unfair and one that, he said, is already adversely affecting marine tourism in the U.S. Virgin Islands.

Mr. Jones was invited to provide lawmakers with an overview of current industry challenges and to offer practical solutions and policy recommendations. Among the data points presented was the performance of the 2025 USVI Charter Yacht Show in November, which recorded its lowest attendance outside of the pandemic years. "By contrast, the British Virgin Islands celebrated their largest show ever, undeniably driven by companies shifting operations from the USVI to the BVI," Mr. Jones stated, adding that more than 90 vessels have already relocated. He cautioned that planned marina and airport expansions in the BVI are expected to further intensify the competitive gap.

Without what he described as "corrective action," Mr. Jones warned that the USVI stands to lose millions in economic activity. He said solutions must be two-fold: the Government of the Virgin Islands should pursue "fair and reasonable fees" for charter operators while also working to "position itself as a destination of its own rather than a gateway to the British Virgin Islands."

To achieve that, the Professional Charter Association is urging the territory to "invest and build locally." Mr. Jones told lawmakers that the permitting process under the Department of Planning and Natural Resources is "prohibitive to growth." He cited Lime Out, which recently opened a floating taco shop on St. Thomas, as an example, noting that the business endured three years of permitting delays. "How can we hope to compete with the BVI's diverse tourism offerings when even our most iconic marine attractions face such avoidable delays?" he asked. He noted that the St. John Lime Out location was recently ranked the #4 boat-only dining destination in the world.

Mr. Jones also pointed to Coastal Zone Management regulations, stating that dollar thresholds triggering major permits have not been updated since 1979. He explained that construction of a "modest beach bar" or dock costing tens of thousands of dollars can activate the same permitting requirements as a multi-million-dollar cruise ship pier project. He described the regulations as measures that "stifle small and medium-scale development." In a discussion with Senator Kenneth Gittens, Mr. Jones said amending the dollar threshold could be one of the quickest reforms. Adjusted for inflation, he told the senator that the current \$52,000 threshold for requiring a major CZM permit would need to exceed \$200,000.

Beyond regulatory reform, Mr. Jones said the territory lacks basic marine infrastructure, including dinghy docks and small craft access docks. Installing such facilities, he said, would allow charter guests to "easily reach shoreside businesses" and circulate spending into the local economy. He suggested potential sites in Red Hook, Charlotte Amalie, Cruz Bay, Coral Bay, Christiansted, and Frederiksted.

He also proposed what he described as an initiative with "minimal environmental impact" at Magens Bay, recommending the establishment of a managed beach access and moorings program featuring "simple dingy tie off line floats near shore." He referenced a similar arrangement in St. John and said the initiative could create a "world-class stop for charter guests." According to Mr. Jones, "Mooring fees could fully fund the installation, maintenance, ongoing operations, as well as support conservation efforts."

Mr. Jones reminded lawmakers that the Legislature has the authority to act in place of the Coastal Zone Management Commission and “expedite permits in the public interest.” “We would strongly encourage using this authority to rapidly develop essential marine infrastructure across the territory,” he said.

Senator Blyden expressed caution about that approach. “I am not too sure about that, because they are the one with the expertise,” he noted. “When we was attempting to do what you're stating, it was a big controversy...saying we are overstepping our bounds.”

In addition to infrastructure improvements, Mr. Jones advocated for investments in workforce development. “A strong marine industry produces strong local jobs,” he stated. He described establishing a “world-class shipyard” in either district as the “single most transformative investment” the territory could make. Suggested sites included the former Addelita Cancryn School property and the South Shore Trade Zone. According to Mr. Jones, such a facility could “facilitate the Caribbean’s largest vessel lifting capacity and repair capacity” and serve as a “training hub for technical trades, apprenticeships, long-term and high-wage careers.”

“Without a functioning shipyard, we cannot expect to maintain the marine trades,” he warned.

While acknowledging that the Cancryn School site is included in a broader cruise port expansion plan, Mr. Jones told Senator Carla Joseph that “it’s a very important time to revisit that discussion,” describing the location as an “ideal space for a boat yard and a marine apprenticeship, marine trades, a full educational complex.”

Jay Pennington of Waypoints Yacht Charters, who also testified, called for a “shift in attitude about the value of that property, including future jobs and growth.”

Mr. Jones further argued that operating a charter business in the USVI is more expensive than in the BVI and recommended narrowing that gap by fostering a more business-friendly environment. He suggested “Reducing gross receipts taxes and eliminating duplicative licensing and regulatory requirements” as initial steps.

The Association also urged revival of the territory’s game fishing industry. From 1972 to 2017, St. Thomas hosted the “world-renowned Virgin Islands Open Atlantic Blue Marlin Tournament.” According to Mr. Jones, “new licensing restrictions imposed by the BVI ultimately ended the tournament, along with millions of dollars in economic activity it generated.” He recommended that the Government of the Virgin Islands work with the British Virgin Islands to “establish reciprocal licensing, customs and fishing agreements that would relaunch the tournament and benefit both territories.”

The final recommendation focused on derelict vessel removal. Mr. Jones called on the government to “fully utilize federal and local resources to remove the many abandoned and derelict vessels that continue to pollute and pose navigational hazards in our waterways.” Although federal grants often require matching funds, he proposed establishing a dedicated local fund. “A portion of each vessel’s DPNR registration fee should be directed into this dedicated matching fund to ensure a reliable, sustainable revenue stream that unlocks federal dollars,” he stated.

Mr. Jones’ testimony presented lawmakers with multiple policy options, ranging from immediate regulatory adjustments to long-term infrastructure investments. Committee chair Senator Avery Lewis said it is time to begin having “nuts and bolts conversations” with the governor’s policy advisors “so we could start making things concrete and start moving legislation, if need be.”

