The Virgin Islands Consortium

Seeking Larger Trade Role, VI Lawmakers Back Measure Urging Washington to Overhaul Caribbean Basin Initiative

Supporters of Bill 36-0194 said modernizing the Caribbean Basin Initiative could help the Virgin Islands attract investment, create jobs, and use its unique trade status to serve as a stronger regional gateway to the U.S. market.

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Members of the Committee on Rules and Judiciary voted Thursday to support legislation urging the United States Congress and the Office of the United States Trade Representative to expand and modernize the Caribbean Basin Initiative, with lawmakers arguing that the Virgin Islands must be more deliberately positioned within regional trade policy if it is to capitalize on its geographic and legal advantages.

The measure, Bill 36-0194, is intended to push Washington to reauthorize and update the program before its scheduled 2030 expiration, while recognizing the U.S. Virgin Islands as what supporters described as a strategic stakeholder in the future of Caribbean trade and economic development.

Sponsored by Senator Angel Bolques Jr., the bill seeks to encourage federal action with the broader goal of supporting economic growth and development in both the Virgin Islands and the wider Caribbean. The measure was first heard in January 2026 before the Committee on Economic Development and Agriculture, where members voted unanimously to press for what was described as a sweeping overhaul of the Caribbean Basin Initiative.

Reintroducing the bill on Thursday, Bolques said the Virgin Islands risks being left behind as other nations move quickly to adjust to changes in the global economy.

Bill 36-0194 calls for the CBI to be modernized and reauthorized “before its scheduled expiration in 2030, ensuring that the Virgin Islands is not just included, but recognized as a strategic stakeholder in its future.”

Bolques reminded lawmakers that the Virgin Islands occupies a unique position as an American territory located in the Caribbean and serving as a potential transshipment point.

He argued that modernizing the CBI would allow the territory to “attract investment, create more jobs and build a resilient, diversified economy that reduces our dependency on limited revenue streams,” while also ensuring that the Virgin Islands “is no longer on the sidelines of regional trade policy discussions, but at the table when helping to shape them.”

To add perspective during Thursday’s hearing, Senator Bolques invited David Bornn, who was described as an expert on CBI-related matters.

Mr. Bornn began by reminding those present that while the Virgin Islands is a U.S. territory, it is outside the United States customs zone. He also noted that the territory “is not subject to the tariff regimes imposed by the United States,” while other Caribbean nations, including CBI signatories, are now facing higher tariffs than they were once promised.

“This imposition of tariffs is in excess of the agreed 3.5% rate for Caribbean Basin Initiative countries, and has become a sore point for Caribbean jurisdictions,” Mr. Bornn said.

He also pointed to another complication affecting Caribbean-mainland trade: major port entry fees imposed on Chinese-built vessels entering U.S. ports. According to Mr. Bornn, the Virgin Islands was granted an exemption. Excluded, he said, are “all vessels entering a US port in the continental US from a voyage of less than 2000 nautical miles from a foreign port or point and vessels of a certain smaller sizes.”

As a result, he said, there are now “significant additional costs for shipments from the Eastern Caribbean countries beyond the 2000 nautical mile exemption.”

Mr. Bornn said that situation presents an opening for the Virgin Islands. Because of its location and legal status, he said, the territory can serve as a transshipment point and facilitate the “processing of raw materials into finished products for entry into the United States without further duty, if they undergo what is called substantial transformation.”

He also pointed to the South Shore Trade Zone and its tax incentives as another reason the territory could be attractive to regional investors and businesses.

Mr. Bornn told lawmakers that the bill should be “strongly and favorably approved.” He said the measure also “seeks to have the relevant federal government departments administering the CBI program consult with the USVI, utilize and promote unique the unique programs of the USVI for the benefit of CBI countries, and utilize the USVI as a means of economic outreach to the CBI countries.”

His testimony appeared to further strengthen support for the resolution among lawmakers.

“We are in competition with China for getting the attention of the other Caribbean countries, and the Chinese outspend the United States in terms of Caribbean funding by three to one,” Mr. Bornn told Senator Carla Joseph.

He also said several Caribbean nations “don't know that they could use us as a stepping stone” into the U.S. market, particularly as tariffs reshape regional trade. He said the situation is made worse because “the CBI program does not promote us as being that intermediary.”

Bill 36-0194, he said, is intended to address that gap.

“We don't benefit from that program, but we can,” Mr. Bornn declared.

When Senator Alma Francis Heyliger asked about potential downsides, Mr. Bornn said, “I am hard pressed to think of what negative there would be.”

He added, “We have a sleeping giant of a benefit, not just to us, but to the other Caribbean islands that not many people are aware of.”

Following the discussion, the bill received favorable votes and now advances to the next stage of the legislative process.