

## VIPA and Airlines Set for July Meeting After AAAC Warns SkyCity Costs Could Threaten USVI Air Service

**AAAC says VIPA's airport P3 process lacked meaningful airline consultation and carries a projected SkyCity cost per emplanement of \$126.32, warning the figure could harm airline viability and long-term USVI market competitiveness ahead of July talks.**

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**A Delta Air Lines aircraft departs Cyril E. King Airport on St. Thomas on June 11, 2026; airlines warn VIPA's SkyCity airport P3 cost projections could threaten USVI air service competitiveness. By. ERNICE GILBERT, V.I. CONSORTIUM.**

The USVI Airlines Airports Affairs Committee is objecting to the Virgin Islands Port Authority's plan to move forward with the current public-private partnership proposal to redevelop the

territory's two airports, saying VIPA's claims of airline consultation are inaccurate and warning that the projected cost structure could threaten the long-term competitiveness of air service to the territory.

In a letter sent Monday afternoon, the committee disputed VIPA's assertion that airline input had been included in discussions surrounding the airport redevelopment plan.

"Your June 8, 2026 correspondence references P3 and scope discussions taking place on December 19, 2022; this characterization is alarmingly inaccurate and does not reflect the airlines' experience or records of engagement," AAAC wrote.

Rather than meaningful inclusion, the airline committee said its members have faced delays and barriers while seeking information from VIPA.

"Efforts to seek engagement and obtain information from VIPA...have been consistently delayed, limited, denied, or unfulfilled – both prior to and following 2022," the letter stated.

According to AAAC, the creation of the Airline Liaison Office in October 2023 did not resolve the issue. The committee said VIPA opposed the establishment of the office and limited its scope and engagement "despite formal written requests from the AAAC."

The committee argued that earlier airline input "may have helped align scope, affordability, and delivery considerations."

AAAC said the approach reflects a wider pattern, not a single disagreement over the current airport transaction. Its letter described VIPA's posture as part of "a broader approach by VIPA to restrict airline involvement...the SkyCity transaction process has been a continuation of this pattern."

The committee also said the request for proposals documentation issued by VIPA in 2023 was "withheld from the airlines until January 2026 after AAAC members' repeated requests."

A central concern remains the projected cost per enplanement, or average cost per passenger for an airline to operate at an airport. The airline committee reiterated its concern that the SkyCity proposal would result in costs far above other U.S. airports.

"Under all scenarios, SkyCity's CPE of \$126.32 was the highest in the U.S. domestic airport system, considerably above NYC and other coastal cities," the letter stated.

According to AAAC, that projected figure is "multiple times higher than other airports," including up to eleven times higher than major hubs such as Hartsfield-Jackson Atlanta International Airport and Harry Reid International Airport. The committee said the figure is also up to five times higher than airports including Miami International Airport and LaGuardia Airport.

"This is a direct threat to the financial sustainability, airline viability, and long-term market competitiveness of the USVI," the committee asserted.

AAAC also objected to what it described as the unilateral imposition of rates by ordinance, particularly in the absence of several years of audited financial statements. The committee said that approach is unacceptable.

“Proceeding in this manner is improper, unwarranted, and inconsistent with the FAA’s requirement for good-faith negotiations prior to advancing a rates-by-ordinance action,” the letter argued.

Despite its concerns and VIPA’s rejection of an alternative airport development plan presented by the airlines, AAAC said it remains willing to continue discussions with the authority “to continue advancing fiscally responsible and meaningful improvements for the USVI.”

The committee has agreed to participate in a virtual meeting during the week of July 6, but said it would do so “without any waiver of position.” VIPA told The Consortium on Monday that it looks forward to the July meeting with the airlines.

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