The Virgin Islands Consortium

With No Cruise Ships and Dwindling Revenue, Port Authority Seeks $25 Million Line of Credit to Prop Up Operations

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A barren Crown Bay in St. Thomas as cruise ships have halted travel because of the coronavirus. Port Authority Executive Director Carlton Dowe has received approval from the VIPA board to seek a $25 million line of credit to prop up operations. By. ERNICE GILBERT/ VI CONSORTIUM

The V.I. Port Authority during a board meeting on Wednesday granted approval for the port's executive director to seek a line of credit of $25 million in an effort to continue port operations after VIPA experienced a precipitous drop in revenue from its cruise ship operations. Cruse ship revenue dried up in March following the halting of travel for 30 days. The ban has since been extended well into July by the Centers for Disease Control and Prevention in an effort to contain the coronavirus.

VIPA Executive Director, Carlton Dowe, said the line of credit was an essential move to keep the port operations flowing. "We have not been passive about this issue. None of us don't know really how long this is going to last and we have taken seriously our obligation to the authority, to our employees and the community at large. So we thought that we must stay ahead of this knowing that we could meet our obligations."

Mr. Dowe, while giving an update on VIPA's operations, said the authority had not laid off a single employee, though some were working from home. He said cargo operations remained a bright spot for revenue generation as cargo ships continued to come into the territory. The executive director also revealed that projects ongoing territory-wide had not paused.

For those who would question why VIPA was seeking the line of credit after the federal government announced more than $41 million for the territory's airports — $21 million for St. Thomas and $19 million for St. Croix — Mr. Dowe said those funds had specific uses on the airport side and could not be used to offset other operational costs.

"That could only be used on the airport side, which means we're still in a plight where the marine is concerned," the executive director said. "So ships not coming, our BVI traffic and anything down on the marine side, we still have to bridge that gap so we definitely will need help." Mr. Dowe said it had yet to be determined whether VIPA would exhaust all the funds and revisit the board for another approval, or whether the $25 million was above what is needed and would suffice for the duration of the coronavirus pandemic.

He noted, however, that it was necessary to seek the line of credit at this juncture as it could take anywhere from 30-60 days for the approval to be completed.

The board approved the authorization unanimously.

The board also reelected Leona Smith as chair, Nelson Petty Jr. as vice chair, and elected Kevin Rodriquez as the new secretary.