The Virgin Islands Consortium

Three Airlines Exit USVI as Arrivals Fall 12%; St. Croix Hit Harder With 14% Decline

Three air carriers left the USVI over the past year, contributing to an 8% drop in departures and 12% decline in arrivals. St. Croix was hit harder, with departures down 11% and arrivals down 14%, as VIPA weighs airport P3 options and dredging plans.

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The departure of three air carriers from the Virgin Islands over the past year has resulted in an 8 percent decline in departures and a 12 percent decline in arrivals in 2026, with St. Croix experiencing an even steeper reduction in air traffic.

St. Croix recorded an 11 percent decrease in departures and a 14 percent decrease in arrivals, according to figures provided by V.I. Port Authority Interim Executive Director Ava Penn during testimony before the Committee on Budget, Appropriations and Finance.

Penn appeared before lawmakers Friday even though VIPA's fiscal year 2027 budget has not yet been approved by its board. The committee learned that the spending plan is not expected to receive board approval until September.

The hearing nevertheless gave lawmakers an opportunity to examine the authority's finances, major infrastructure projects and continuing negotiations surrounding the public-private partnership proposed for modernization of the territory's airports.

Gittens: St. Croix 'Can't Afford to Lose One More Flight'

Sen. Kenneth Gittens focused on the decline in air service and the potential implications of the airport P3 arrangement.

Gittens said St. Croix “can’t afford to lose one more flight,” and asked Penn whether VIPA could assure the public that it would “protect the traveling public” if airlines “decide to pass increased airport costs directly onto the passengers through higher ticket prices.”

Penn said VIPA does not control what airlines ultimately charge passengers. VIPA “does not have any role in terms of what the airlines charge the passengers right now.” She also disagreed with Gittens's premise that ticket prices would be “directly” influenced by the P3 arrangement.

The response did not satisfy Gittens. “If you can’t give us that assurance, then the board shouldn’t move forward with an agreement before fully considering the alternative proposal being presented by the airlines.”

Penn said VIPA continues to consider different possibilities but maintained that the airlines “have not presented us with an alternate proposal that we can consider.”

She suggested that whatever proposal lawmakers may have received has not been formally delivered to the Port Authority.

Gittens responded that the alternative is “no secret” and urged VIPA to “work in the best interests of the people of this territory.”

VIPA Says Airlines Have Not Been Shut Out

Penn confirmed that airlines remain involved in ongoing airport negotiations.

She told Sen. Novelle Francis that VIPA and the carriers have a “difference of opinion, but it’s not like we shut them out.”

The discussion followed a Committee on Economic Development and Agriculture meeting days earlier in which VIPA and the V.I. Department of Tourism outlined efforts to attract additional airlines, strengthen competition and potentially reduce airfare.

The air-service decline provides new context for those efforts, particularly on St. Croix, where both arrival and departure figures fell more sharply than the territorywide averages.

$41.9 Million Charlotte Amalie Harbor Dredging Contract Executed

Lawmakers also received an update on the Charlotte Amalie Harbor dredging project, which is intended to allow larger cruise ships to dock in St. Thomas.

VIPA Director of Engineering Preston Beyer said the authority has executed an approximately $41.9 million contract with Orion Marine Construction.

Dredging is expected to begin within 60 to 90 days, giving VIPA an October start at the earliest.

Orion has been given 365 days to complete the project.

Francis asked whether the work could be accelerated.

Beyer said the schedule is based on the contractor's “expected production rate in terms of the amount of cubic yards of sand they're able to dredge on a daily basis.”

Although Orion “won't commit to a faster timeline”, Beyer said he expects the company will have an incentive to finish efficiently.

He anticipates the contractor will want to be “getting in, getting things done quickly, getting out so that they can move to the next project.”

Beyer added that “a lot of that comes down to making sure their invoices are paid timely as well.”

Former Cancryn School Site to Receive Dredged Material

Material removed from Charlotte Amalie Harbor will be placed at the former Cancryn School property.

VIPA initially combined demolition of the site and harbor dredging into one procurement but failed to attract bids.

The authority subsequently separated the two components.

A $2.527 million demolition contract was awarded to Custom Builders, and that work is underway.

Beyer said material considered beach quality will be placed at the former school site and eventually used as part of plans to augment the Crown Bay cargo port.

Material that does not qualify as beach quality will be transported to St. Croix and “utilized to fill an old quarry site on VIPA’s property at the Henry Rohlsen Airport,” Mr. Beyer said.

Nearly $198.3 Million in Active Construction Projects

The airport P3 negotiations and harbor dredging represent only part of VIPA's current infrastructure workload.

Beyer said the Engineering Division is managing 17 active construction projects, with another seven projects in the closeout phase.

Other initiatives remain in planning, environmental review, permitting or design.

The value of active construction projects totals $198,289,911.76, while projects currently being closed out carry a combined value of $65,935,819.06.

Among the major undertakings is the $27 million Cyril E. King Airport Runway Rehabilitation project.

VIPA is also completing pre-award requirements and advancing design work for the Wilfred “Bomba” Alick Port and Transmission Center, for which a $22.4 million grant has been awarded.

Tropical Shipping provided the required matching funds.

VIPA Reports $73.4 Million in Revenue Through June

VIPA reported $73,410,951 in revenue as of June 2026, compared with $47,483,132 in operating expenses.

The authority's total operating budget for the current fiscal year is $72 million, with $2.6 million allocated for debt service.

Whether similar figures will appear in the FY 2027 spending plan remains unknown.

VIPA's FY 2027 budget was still awaiting consideration by the authority's board when Penn appeared before lawmakers, with approval not expected until September.