The Virgin Islands Consortium

# WICO Wants $700,000 Annual Government Payment Reduced to $100,000-$250,000

**WICO says the $700,000 annual payment is too high for a company generating about $11 million in revenue. It paid $100,000 for FY 2026, carries an $11.8 million liability, and says $100,000-$250,000 better reflects its actual available cash flow levels.**

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**Joseph Boschulte, WICO president and CEO, says the company cannot sustain its $700,000 annual PILOT obligation and is seeking a payment range of $100,000 to $250,000 based on cash flow.** **By. V.I. LEGISLATURE.**

The West Indian Company Limited paid $100,000 toward its fiscal year 2026 payment-in-lieu-of-taxes obligation but is again asking for relief from the legally mandated $700,000 annual payment, arguing that an obligation of between $100,000 and $250,000 would better reflect the company's revenue and available cash.

The payment represents a more positive development after years in which WICO failed to make the required annual PILOT contribution. As of January 2026, its accumulated liability stood at $11.8 million.

WICO President and Chief Executive Officer Joseph Boschulte, who recently returned to lead the company, told the Committee on Budget, Appropriations and Finance on Monday that WICO is seeking "parity" in how its PILOT obligation is calculated.

The company paid a "$100,000 PILOT payment for FY 2026," leaving it $600,000 below the amount required by law.

Sen. Ray Fonseca said "it's not enough," particularly in light of WICO's improving revenue.

**WICO Says Finances Are Improving, but Cash Remains Restricted**

Boschulte told lawmakers that WICO generated $9.4 million in revenue during FY 2025 and expects approximately $11.7 million in FY 2026, with operating expenses projected at $6.6 million.

He acknowledged that WICO is "finally moving into a better fiscal situation," but said the company continues to recover from years in which its financial position deteriorated.

Cash reserves were depleted following the 2017 hurricanes and during an 18-month period of the COVID-19 pandemic when WICO received no cruise ships.

At a January hearing before the Committee on Economic Development and Agriculture, Boschulte said WICO had "not had the cash flow to pay the $700,000 over the year."

At that time, he requested a PILOT calculation that would be "more fair to the actual revenue numbers of WICO."

He renewed that request during Monday's budget hearing.

Boschulte said WICO is trying to "build back up our cash to use in case something happens that we have to to expend capital quickly."

The company wants a PILOT amount "more reflective of a $10 million [or] $11 million company, and not a company that makes much more…" rather than the $700,000 currently "as required by law."

**About $8 Million Is Restricted**

Although WICO has cash on its balance sheet, Boschulte said not all of it is available for general use.

Some cash is tied to “long term debt,” while another portion must remain available if WICO misses a financial covenant and is required to contribute additional funds.

According to Boschulte, “the bulk of the restricted money is for the bond deal.”

That restricted amount totals roughly $8 million.

He emphasized the limitation to Sen. Marvin Blyden after the lawmaker suggested WICO might be able to make an even larger PILOT payment.

“we don't have access to the $8 million,” Boschulte said.

Based on current cash flow, he believes WICO can comfortably pay “$100,000 to $250,000.”

He described that range as “fair to the company.”

**Boschulte Says WICO Cannot Catch Up at $700K at Year**

Asked by Sen. Clifford Joseph about the accumulated obligation, Boschulte acknowledged the difficulty WICO faces in ever becoming current under the existing formula.

“I don't think we could ever get up to date with the PILOT at $700,000 with our revenue at $11 million.”

Boschulte compared WICO’s required payment with obligations imposed on other government-related entities.

He told lawmakers that the V.I. Port Authority and V.I. Water and Power Authority are much larger companies “and their numbers were less than what we expected to pay every year.”

He also argued that WICO’s financial performance over the previous several years would have produced little or no tax liability if it were a private business.

Were WICO privately owned, he said, “we would not have paid any taxes over the last seven years because we didn't make money.”

The objective, Boschulte told Joseph, is to arrive at a PILOT obligation that “makes sense for the government and for ourselves.”

**WICO Projects $11.5 Million in FY 2027 Revenue**

As it seeks PILOT relief, WICO is forecasting continued improvement in cruise activity and revenue.

Projected FY 2027 revenue totals approximately $11.5 million, with roughly $9.5 million expected from cruise passenger revenue.

Boschulte said the budget is focused in part on providing a “world-class experience for cruise partners and visitors.”

Passenger arrivals are projected to reach approximately 1.2 million during the upcoming fiscal year.

## $1.7 Million in Capital Improvements Planned

WICO has identified approximately $1.7 million in capital improvements as part of what Boschulte described as “strategic infrastructure investments.”

The largest component involves the “modernization of the Corporation’s water infrastructure.”

Boschulte said the project will “improve operational efficiency while expanding revenue opportunities associated with supplying potable water to cruise ships homeporting in Puerto Rico.”

The infrastructure investments form part of WICO’s strategy to strengthen operations and increase revenue as cruise activity continues to grow.

**Berthing Capacity Limiting Cruise Calls**

One of WICO’s larger long-term challenges is available dock space.

The “demand for berthing space” continues to “outpace existing capacity,” according to Boschulte.

As a result, WICO has been “increasingly forced to decline cruise calls due to limited berth availability.”

Expanding berthing capacity remains one of the company’s “most important long-term strategic priorities.”

While WICO works toward that longer-term goal, the company is expecting at least five first-time cruise calls in 2027.

Those ships are Carnival Festivale, Carnival Firenze, Explora II, Norwegian Aura and Seven Seas Prestige.

The projected increase in cruise activity comes as WICO continues rebuilding its financial position and asking lawmakers to reconsider a $700,000 annual PILOT obligation that company leadership says no longer reflects the size, cash flow or financial circumstances of the business.