

The Virgin Islands Consortium

Opinion: Renewed relations with Cuba Poses Real Challenges, Unique Opportunities For The Virgin Islands Economy

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I commend the 31st Legislature for conducting a hearing this week to discuss the implications of the United States normalizing relations with the country of Cuba. Since assuming office at the beginning of the year, I have spoken on this issue often; I am grateful for the Legislature raising public awareness on this important topic.

In January, after his State of the Union address, I briefly discussed with President Obama the implications on the U.S. territories of normalizing relations with Cuba. In July of this year I spoke on the floor of the U.S. House of Representatives about the implications this

change in U.S. policy would have on the Caribbean territories. Over the past several months, I have continued to press this issue with Cabinet members and with my colleagues in Congress on what normalized relations will mean for the U.S. Virgin Islands, and at each juncture, remind them of the Constitutional responsibility of Congress to the well-being of the territory and of all of its citizens.

Renewed diplomatic and economic relations with Cuba create real challenges to the territory, specifically in competition for U.S. tourism dollars and as a potential diversion of port and manufacturing opportunities in the Caribbean. At the same time, it presents an enormous opportunity, if leveraged properly, to immediately bring federal attention to urgently needed infrastructure development in the Virgin Islands and affords our local government an avenue to create partnerships with the Cuban government and people in areas such as education and medicine.

Industry and economic indicators suggest that the end of the U.S. embargo will bring massive growth in Cuba's tourism industry. The July announcement by JetBlue Airlines to extend service to Havana beyond special charters, and the decision by Carnival Corporation to offer culturally themed cruises next year demonstrate that the tourism industry is wasting no time in moving to enter this new market.

While the U.S. Virgin Islands continues to be a premier tourist destination in the Caribbean region (particularly for Americans who will account for Cuba's largest share of new tourists)—with more than 2.7 million tourist visitors in 2014 alone—Cuba is already emerging as a formidable competitor. Prior to the resumption of U.S. – Cuba relations, Caribbean Tourism Organization data showed that just over 3 million people visited Cuba in all of 2014, compared to the 2.7 million and 3 million people who visited the Virgin Islands and Puerto Rico, respectively, during the same period.

In the first quarter of 2015, the Cuban government has already reported more than 1.4 million tourist visits, a number more than double the amount reported by the Virgin Islands and Puerto Rico during the same period combined.

In my discussions with the Obama Administration and fellow lawmakers I have emphasized the need for the United States to prioritize the interests of its own island territories above the interest of diplomatic relations with Cuba. I view it unwise and irresponsible to fully embrace a changing dynamic with Cuba in the absence of a careful and deliberate recognition of the geopolitical and economic impacts on our community and on the future of the people of the territory. Investments in Virgin Islands capital improvements for basic infrastructure needs, such as roads, ports, schools and hospitals, must be a priority addressed by Congress in accordance with its Constitutional obligation above any potential aid to the Cuban government.

While it may be true that Cuba will have to undergo massive infrastructure expansion to accommodate this new economic growth, those developments will likely occur sooner rather than later, as they will not be bound by the same environmental and regulatory constraints as developments in our territory. That, too, has been a concern addressed by my office.

With Cuba, indeed, being a formidable competitor in the region, there is an opportunity for the Virgin Islands government to work together, both on the local and federal level, to

create a seamless pathway forward for various developments and capital improvement projects. This includes working with regulatory entities like the Army Corps of Engineers and the National Oceanic and Atmospheric Administration to make the permitting and approval process timely and more efficient.

I look forward to the number of ways in which we can work with the government and people of Cuba in the years ahead. Potential U.S.-Cuban partnerships in the areas of agriculture, education and medicine—to name but a few—can be of significant value to each of our communities. I remain eager in identifying partners in this cause, and committed towards leading and engaging in substantive conversations to achieve this end.

We are close neighbors and share a similar history and culture; shared areas of enormous importance to both Virgin Islanders and the Cuban people. I am sure with a renewed commitment towards the development of both island communities, we can elevate one another in the spirit of global competitiveness and mutual cooperation and prepare our young people to succeed in years and decades to come.

Submitted by: Delegate to Congress Stacey Plaskett

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