

The Virgin Islands Consortium

V.I.P.A. Seeking Federal Funds For Territory Airport's Modernization

Travel / **Published On May 10, 2021 03:02 PM /**

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Phase one of Airport Improvement Projects at both the Cyril E. King Airport and Henry E Rohlsen Airport are underway as the Virgin Islands Port Authority looks to expand and modernize these facilities but phases 2-4 of the projects are still in need of significant funding that V.I.P.A. is hopeful they can receive through the federal government.

Carlton Dowe, Executive Director at the Virgin Islands Port Authority explained that one of the biggest challenges that the Virgin Islands has in raising funds for airport projects compared to other islands is that the territory is limited to a \$4.50 "Passenger Facility

Charge” and other destinations are able to charge a departure or “head” tax to fund their airport projects. He said “the U.S. Virgin Islands is forbidden to charge a departure tax as a territory of the United States. Instead, VIPA uses PFCs as a revenue source for its airport improvements. The amount that we can collect is regulated by the U.S. Congress can only be increased through that body.”

He also added, “While the fee will only be collected from tickets for passengers departing from Cyril E. King Airport, the funds collected will be used to support terminal upgrade projects at both Cyril E. King Airport and Henry E Rohlsen Airport. The projects will include upgrades to the baggage handling systems and new ticketing counters in the departure and hold room areas.”

When asked by Senate President Donna Frett-Gregory how Mr. Dowe expects to raise the funds for the additional phases at both airports, he explained that he would involve Delegate Stacey Plaskett and have the projects included in President’s Joseph Biden’s Infrastructure Bill that is making its way through congress. He also said that they are utilizing the administration consultant in Washington D.C. “We want to make sure we have brought our concerns to the highest levels of not only the local government, we’ve discussed with the legislature from time to time, but also with the United States Congress.”

At the Cyril E. King phase one of the improvement project began in March of this year and is the parking and transportation center that will have 600 parking spaces and a dedicated location for ground transportation and car rental operations. In his testimony Mr. Dowe said, “phases two through four include the redesign, expansion, and modernization of the interior of the terminal to make the best use of the two floors of the terminal and the installation of jet bridges; additional lounge, and concession spaces to provide more eateries, retail stores, and contemporary traveler amenities; tropical landscaping, improvements to the flow of vehicular traffic; and more.”

The total funding for the project is expected to be \$150 million.

At the Henry E. Rohlsen phase one which Mr. Dowe expects to be completed in August 2022 and will “include enclosing 5,500 square feet of walkway space to increase the seating capacity in the lounge; refurbishing the existing passenger lounge space and restrooms; enclosing the 1,100 square-foot open-air garden with a new roof structure to provide additional concessions space; and upgrading the mechanical systems for the additional air-conditioned area.”

He didn't specify what phases 2-4 would include in St. Croix in his testimony but estimated that the projected cost of this project will be \$140 million.

Another issue that came up involving the airport is that there has been an increase in flights to St. Thomas but not to St. Croix. Mr. Dowe attributed this to a demand issue in St. Croix as they need to convince airlines that they, with help from the Department of Tourism, can fill additional flights to St. Croix.

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