

Image not found or type unknown

Seaborne's Exclusive Deal at Seaplane Port to End, Opening Up Operations to Other Carriers

Government / **Published On August 15, 2022 05:00 AM /**

Ernice Gilbert **August 15, 2022**

Image not found or type unknown



Seaborne Airlines

The Seaborne Airlines' seaplane operation, which in recent times has dwindled to one seaplane making several trips between St. Thomas and St. Croix, will open up to other carriers interested in operating seaplane services when the current contract ends in the next few years, according to V.I. Port Authority Executive Director Calton Dowe.

Speaking during a Senate hearing Friday, Mr. Dowe said executives of Silver Airways, which owns Seaborne Airlines, have started having conversations about a renewal of the contract which is nearing its end, however Mr. Dowe said the VIPA governing board has agreed that exclusivity is off the table.

"They have now approached us," Mr. Dowe made known, referring to Silver Airways regarding renewal of the Seaplane contract and exclusive rights to operate it. "The governing body, we have drawn a line. Right now as we speak, they have indicated that they want to renew this lease, we've told them unequivocally no, unless that issue can be solved."

The issue is Silver Airways contending that as part of the deal to purchase [Seaborne Airlines in 2018](#), it secured exclusive rights to operate the seaplane port. Mr. Dowe said VIPA's legal department is looking to the issue, but stressed that exclusivity will not be part of any deal moving forward.

The matter was raised by Senator Kurt Vialet, who said VIPA failed to ensure better service for Virgin Islanders by deciding against fighting Silver Airways when the exclusivity dispute came up at renewal discussions five years ago. "When they sold to Silver Airways, the seaplane contract had expired and we were at that point saying we wanted to have more than one airline going in [at the seaplane]. Then Silver purchased Seaborne, and then there was a back and forth with Silver saying [they] were supposed to be exclusive, and I thought we were going to fight that so that we could open back up that particular port," Mr. Vialet said. The senator, who chairs the Committee on Finance and was receiving testimony from VIPA officials on 2023 budget allocation, criticized Seaborne Airlines for not making improvements to the seaplane port and for services he deemed inadequate. "They got two flights and canceling everyday," he jabbed.

Mr. Dowe pointed out that he was not at the authority when the agreement was signed. At the time, he was removed by former Governor Kenneth Mapp, [who then made his brother David Mapp VIPA executive director](#). It was under David's tenure that the exclusive agreement was renewed.

"Carlton Dowe had no nickel in the dime; I was out of the port when they recently renewed this Seaborne thing," Mr. Dowe reminded.

Notwithstanding who was in leadership at the time, Mr. Vialet criticized the authority for what he deemed a missed opportunity to provide more options and better service to Virgin Islanders, an issue that is being felt now that Cape Air has cut back on flights because of a lack of pilots.

"The port dropped the ball because the port had an opportunity to fight and to open up that port to additional airlines. They did not fight, they acquiesced and they signed," Mr. Vialet said. "That's why it's going for five more years. We had the opportunity to open up the port to any airline that's a seaplane operation that wanted to use downtown, and we're feeling the effects now."

He added, "Cape Air has severely cut back on flights because of a lack of pilots; you could barely get to St. Thomas on a regular basis. So I hope that we don't move in that direction again.

"And lastly, Seaborne has done no improvements to the port, all the improvements there were done by the Port Authority. There's no shade for passengers; the parking lot, owned by DPNR (V.I. Dept. of Planning and Natural Resources), has remained unpaved forever. When we're talking to these entities and allowing them to utilize our property, they have to put some money into it," Mr. Vialet said.

VIPA's 2023 budget of \$266.2 million comes from the following sources:

- Operating Revenues \$72,702,000
- Passenger Facility Charges \$697,000
- Car Rental Facility Charges \$700,000

- Capital Grants \$168,851,000
- Cash Reserves & Other \$10,588,000
- ARPA Act \$6,400,000
- Government Grants \$2,874,000
- Debt Funded Marine Projects \$3,373,000

© Viconsortium 2024