

RESOLUTION NO. 1926

BILL NO. 36-0194

THIRTY-SIXTH LEGISLATURE OF THE VIRGIN ISLANDS

Regular Session

2026

A resolution urging the United States Congress and the Office of the United States Trade Representative to expand and modernize the Caribbean Basin Initiative (CBI) to further support economic growth and development in the Virgin Islands and the wider Caribbean region

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WHEREAS, the Caribbean Basin Initiative (CBI), originally enacted through the Caribbean Basin Economic Recovery Act (CBERA) in 1983 and expanded by the Caribbean Basin Trade Partnership Act (CBTPA) in 2000, was designed to promote economic development and stability in the Caribbean region through preferential duty-free access to the U.S. market;

WHEREAS, the Virgin Islands, as an unincorporated territory of the United States, occupies a unique position as both an integral part of the nation and a vital Caribbean partner, serving as a strategic bridge for hemispheric trade, cultural exchange, and regional diplomacy;

WHEREAS, the Virgin Islands possess a unique posture being geographically located in the Caribbean and a territory of the United States, where goods may be shipped to the territory for transshipment into qualifying vessels for entry into United States consistent with applicable federal law and;

WHEREAS, the territory's location outside of the United States customs zone and the availability of foreign trade zone mechanisms create opportunities for trade facilitation and tariff treatment consistent with federal standards; and

WHEREAS, foreign raw materials or component products that are substantially transformed into new articles of commerce within the Virgin Islands may qualify for treatment as products of the Virgin Islands for entry into the United States market;

WHEREAS, as a participant in the Caribbean Basin Initiative, the Virgin Islands has benefited from trade preferences that support key industries such as rum production, light manufacturing, sustainable agriculture, and marine-based commerce, thereby stimulating local employment and investment;

WHEREAS, while the Virgin Islands is not classified as a beneficiary country under the Caribbean Basin Trade Partnership Act due to its territorial status, the territory nonetheless shares aligned economic interests with the Caribbean region and remains a strategic stakeholder in regional trade development, policy integration, and sectoral cooperation under the broader CBI framework;

WHEREAS, the global economy has evolved significantly since the original enactment of the CBI, and modernization is now needed to incorporate emerging priorities such as digital services, renewable energy, climate-resilient infrastructure, sustainable manufacturing, and fair labor practices;

WHEREAS, the Virgin Islands and the broader Caribbean region remain highly vulnerable to the impacts of climate change, including sea level rise, hurricanes, and supply chain shocks, and would benefit from expanded CBI provisions that incentivize green infrastructure, carbon-neutral development, and economic resilience;

WHEREAS, the Virgin Islands and the broader Caribbean region remain strategically significant for the national security and economic development of the Western Hemisphere, including countering threats of human trafficking, narcotics trafficking, and economic infiltration from hostile countries, such as China;

WHEREAS, the impending expiration of the CBTPA on September 30, 2030, presents a critical opportunity for the United States to reaffirm and strengthen its long-term economic commitment to the Caribbean region, including the Virgin Islands; and

WHEREAS, equitable engagement of U.S. territories and Caribbean nations in any modernization of the CBI is essential to ensure the program fosters shared prosperity, regional cohesion, and meaningful opportunities for small and medium-sized enterprises (SMEs); Now, Therefore,

Be it resolved by the Legislature of the Virgin Islands:

SECTION 1. The Legislature of the Virgin Islands urges the United States Congress to modernize and permanently reauthorize the Caribbean Basin Initiative and the Caribbean Basin Trade Partnership Act to reflect 21st-century economic realities, including support for digital services, clean energy, advanced manufacturing, climate adaptation, and emerging sectors, such as financial technology, educational services, green and renewable energy, creative industries, the blue economy and digital infrastructure and also affirms the importance of legacy export sectors, such as rum production and export, which reflect the modern economic priorities of the Virgin Islands and the wider Caribbean.

SECTION 2. The Legislature further urges that any modernization effort explicitly include the Virgin Islands as a stakeholder and partner, with opportunities for direct participation and benefit under all CBI-related frameworks, policies, and review processes. The Legislature also urges that in any modernization of the Caribbean Basin Initiative or related federal trade preference programs, the unique status of the Virgin Islands as an unincorporated territory of the United States be expressly recognized. The Legislature emphasizes that the Virgin Islands, while

geographically located in the Caribbean, is politically and constitutionally a part of the United States, and its role in regional trade should reflect both its domestic economic interests and its strategic position as a conduit for United States and Caribbean economic engagement.

SECTION 3. The Legislature encourages the Office of the United States Trade Representative to consult with the Virgin Islands and relevant Caribbean stakeholders to ensure equitable implementation and policy alignment under the revised CBI framework.

SECTION 4. The Legislature further urges that special consideration be given to the establishment of a Virgin Islands International Ship Registry as a component of broader modernization efforts. Such a registry would support the restoration of American maritime leadership by enhancing United States maritime competitiveness, strengthening national security and sanctions enforcement, expanding lawful United States influence over international shipping and generating new streams of revenue and workforce development for the United States and its territories. This initiative would be pursued in full compliance with existing statutory authorities and international obligations.

The Legislature respectfully requests that the Virgin Islands be granted a permanent consultative role in any present or future federal policy discussions, administrative rulemaking, or legislative proposals concerning the modernization of the Caribbean Basin Initiative, Caribbean Basin Trade Partnership Act, or similar trade programs impacting the region.

SECTION 5. The Legislature further encourages the Office of the United States Trade Representative and the United States Department of Commerce to promote and facilitate the use of the unique status of the Virgin Islands for:

- (1) the transshipment of goods into qualifying non-United States-made or non-United States-flagged vessels consistent with applicable federal law; and
- (2) the substantial transformation of foreign raw materials or component products into new and distinct products within the Virgin Islands, qualifying for entry into the United States market under applicable federal standards.

SECTION 6. The Legislature supports the continuation of trade preference programs that promote environmental sustainability, labor protections, regional cooperation, Western Hemisphere national security and long-term economic stability across the Caribbean Basin.

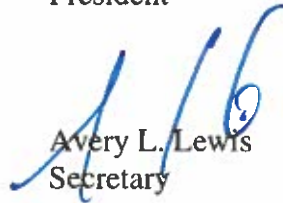
SECTION 7. The President of the Legislature shall transmit certified copies of this resolution to the President of the United States, the United States Trade Representative, the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives, and the Virgin Islands Delegate to Congress.

Thus passed by the Legislature of the Virgin Islands on May 28, 2026.

Witness our Hands and Seal of the Legislature of the Virgin Islands this 29th day of May, A.D., 2026.



Milton E. Potter
President



Avery L. Lewis
Secretary