

Delivered via Email

June 22, 2026

Honorable Albert Bryan, Jr.
Office of the Governor
Government House
5047 (21-22) Kongens Gade
St. Thomas, VI 00802

Ava Penn
Interim Executive Director
Virgin Islands Port Authority (VIPA)
8074 Lindbergh Bay
St. Thomas, VI 00802

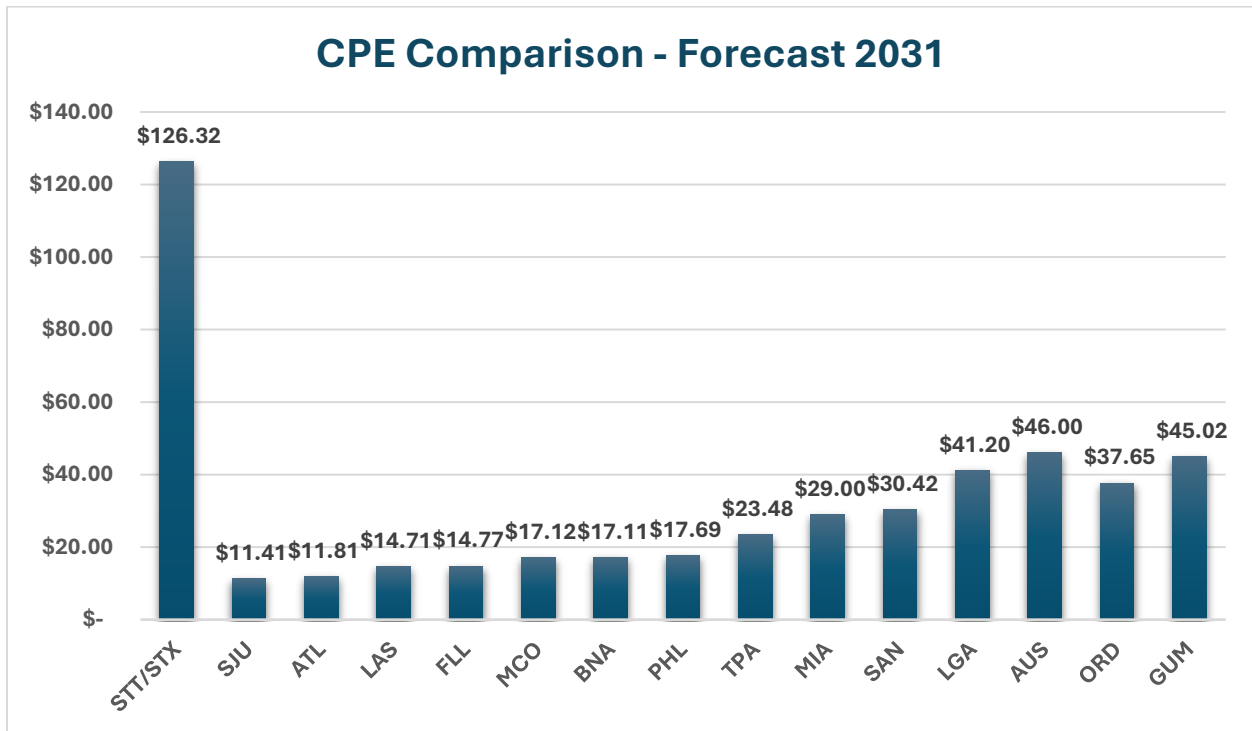
Dear Governor Bryan and Ms. Penn:

The United States Virgin Islands (USVI) Airlines Airport Affairs Committee (AAAC) by way of this letter, formally responds to VIPA's correspondence dated June 2, 2026, and the subsequent communication dated June 8, 2026, regarding your intent to proceed with VIPA's original redevelopment capital program plan and the implementation of rates by ordinance.

The committee appreciated the opportunity to present its proposed capital plan on May 13, 2026, which outlined a sustainable and financially responsible alternative. We continue to stand firmly behind the principles of this phased redevelopment framework, which prioritizes critical airport infrastructure needs, ensures code and safety compliance, and protects against operational disruption. Furthermore, the fully phased program incorporates many of the key elements included in VIPA's approach, while preserving long-term affordability and enhancing the future passenger experience we collectively seek to deliver to the traveling public.

The projected Cost per Enplanement (CPE) associated with VIPA and SkyCity's program is demonstrably excessive and an extreme outlier when compared to airports around the world, but more specifically, U.S. airports – even when including key business markets which command an outsized share of premium traffic. Under all scenarios, SkyCity's CPE of \$126.32 was the highest in the US domestic airport system, considerably above NYC and other coastal cities. At the levels currently proposed by VIPA and SkyCity, costs would be

multiple times higher than other airports. Specifically, SkyCity’s latest projected 2031¹ CPE was benchmarked against small, medium and large hub U.S. airports with varying levels passenger volumes and capital investment. Based on current available information, we note that SkyCity’s proposed 2031 \$126.32 CPE is projected to be approximately nine to eleven times higher than SJU, ATL, LAS and FLL; six to seven times higher than BNA, MCO, TPA, and PHL; and three to five times more than other airports such as LGA, MIA, SAN, AUS, ORD and GUM. This is a direct threat to the financial sustainability, airline viability, and long-term market competitiveness of the USVI. Comparisons to other non-U.S. Caribbean airports were not made due to the different rate and regulatory structures outside of United States.



The AAAC is gravely concerned with VIPA’s premature decision to implement rates by ordinance for the USVI airports’ terminal redevelopment program which is misaligned with established principles of reasonableness and fairness governing airport rate-setting

¹ SkyCity’s passenger forecasts do not seem to include refinements that should account for reduced service from Frontier and Spirit. For the purposes of comparison we used SkyCity’s latest CPE projection as provided on May 21, 2026. Applying these adjusted passenger refinements would increase the CPE by approximately 18-22% for an estimated CPE of \$155 in 2031, based on available information. (Sources: FAA TAF and Airport Bond Issuance Official Statements)

Airport	STT/STX	SJU	ATL	LAS	FLL	MCO	BNA	PHL	TPA	MIA	SAN	LGA	AUS	ORD	GUM
EPAX (Millions)	1.06	7.2	59	29	18.4	31.9	14.6	17.2	13.4	30	13.8	18.5	14.8	49	1.2
CPE	\$126.32	\$ 11.41	\$ 11.81	\$ 14.71	\$ 14.77	\$ 17.12	\$ 17.11	\$ 17.69	\$ 23.48	\$ 29.00	\$ 30.42	\$ 41.20	\$ 46.00	\$ 37.65	\$ 45.02
CPE Multiplied	\$126.32	11x	11x	9x	9x	7x	7x	7x	5x	4x	4x	3x	3x	3x	3x
CPE Multiplied	\$155.00	14x	13x	11x	10x	9x	9x	9x	7x	5x	5x	4x	3x	4x	3x

practices under the Federal Aviation Administration (FAA). It is untenable that audited financial statements have not been provided for several years despite repeated formal requests, reflecting a fundamental lack of transparency. At the same time, VIPA's initiation of rates by ordinance continues a pattern of unilateral action, seeking to impose significant financial obligations without due consideration for the impact on air service, particularly as USVI airports risk becoming less competitive than comparable airports in the U.S. and Caribbean. Under these circumstances, proceeding in this manner is improper, unwarranted, and inconsistent with the FAA's requirement for good-faith negotiations prior to advancing a rates-by-ordinance action.

It is also necessary to correct the record regarding airline involvement. Your June 8, 2026 correspondence references P3 and scope discussions taking place on December 19, 2022; this characterization is alarmingly inaccurate and does not reflect the airlines' experience or records of engagement. The absence of meaningful airline participation has not been by choice. The AAAC has made repeated efforts to seek engagement and obtain information from VIPA, yet those efforts have been consistently delayed, limited, denied, or unfulfilled – both prior to and following 2022. This pattern persisted even after the establishment of the Airline Liaison Office (ALO) in October 2023, which VIPA opposed and limited in scope and engagement, despite formal written requests from the AAAC. Greater collaboration earlier in the process beginning in 2022 may have helped align scope, affordability, and delivery considerations but it was not an option made available to the airlines.

The documented history of constrained engagement reflects a broader approach by VIPA to restrict airline involvement, which is inconsistent with industry standard practices for a project of this scale and impact. The SkyCity transaction process has been a continuation of this pattern. As previously stated, the initial Airport P3 program was selected unilaterally by VIPA without allowing airline input on operability, affordability or constructability. Any airline participation during the solicitation process was restricted, with no meaningful opportunity to influence the RFP scope or P3 selection. Notably, the RFP documentation originally issued and completed by VIPA in 2023 was withheld from the airlines until January 2026 after AAAC members' repeated requests.

Notwithstanding our noted concerns, the AAAC remains committed to a constructive partnership with VIPA and the Government of the Virgin Islands, one that supports our long-standing history of service and economic impact. It is our goal to work with VIPA to continue advancing fiscally responsible and meaningful improvements for the USVI. In that spirit, and without waiver of any position, we agree to an initial virtual meeting for the week of July 6, 2026.

We acknowledge the importance of continued dialogue in pursuit of a mutually acceptable path forward, grounded in transparency and commercially reasonable outcomes. Our shared objective is clear: to deliver modern, safe, and high-quality airport facilities at Cyril E. King and Henry E. Rohlsen Airports in a manner that is financially sustainable and operationally viable.

Respectfully,



Lorin Carr
AAAC Chair,
American Airlines



Rich Rivero
Delta Air Lines



Zanell Roberts
United Airlines



Amber Verloove
JetBlue Airways



Charles Ferrara
Cape Air



Charles Breer
Sun Country Airlines



Kenneth Gregg
Southwest Airlines



Sharon Pinkerton
Airlines for America

Cc:

Honorable Tregenza A. Roach, Esq., Lieutenant Governor

Congresswoman Stacey Plaskett, Delegate to United States House of Representatives

Willard S. John, VIPA Chairman of the Board

Derek A. Gabriel, VIPA Vice-Chairman of the Board, Commissioner of the VI Department of Public Works

Kevin Rodriguez, VIPA Secretary, Chairman of the VI Economic Development Authority Board

Leona A. Smith, VIPA Board of Director's Member

Commissioner Jennifer Matarangas-King, VIPA Board of Director's Member, VI Department of Tourism

Honorable Gordon Rhea, Esq., VIPA Board of Director's Member, USVI Attorney General

Senator Celestino A. White Sr., VIPA Board of Director's Member

Sandra Cisneros, USVI Airline Liaison Office