

Submarines, Pirates, and Votes – And How Not To Enact a Law

By Marjorie Roberts,
Law Offices of Marjorie Rawls Roberts,
US Virgin Islands



The Atlantis Submarine arrived on (or literally just off) St. Thomas shortly before I moved here in 1988. It has been a consistent element of island life in America's paradise ever since. Island kids have celebrated birthdays and taken field trips on the submarine, and non-swimming islanders and tourists alike have gazed in wonder at the fish and coral from dry seats 80 feet under the ocean. Scuba divers frequently have swum alongside the submarine, often waving at the smiling tourists inside. People have even gotten married on the submarine. Atlantis Submarine has also been a source of jobs for many Virgin Islanders – that is until recently. After 31 May 2009, tourists and islanders alike will be able to explore the ocean on submarine tours in Barbados, Hawaii, Grand Cayman, Aruba, Guam, and Cozumel – but no longer in the Virgin Islands. After more than 20 years of undersea trips off St. Thomas' southern shore, Atlantis Submarine is closing shop.

The Virgin Islands – like many other places that are seeking to diversify their economies, encourage capital investment, and improve their tourism products for visitors – has economic incentives to foster and promote recreation businesses. Atlantis Submarine received such benefits from the territory's Industrial Development Commission (now Economic Development Commission or EDC) and its benefits have been renewed several times.

In exchange for significant income tax credits and an exemption from the territory's 4% gross receipts tax, Atlantis Submarine was required to hire a minimum of 20 full-time employees, 80% of whom had to be Virgin Islands residents or kids who grew up in the territory and, having gone to school in the states, wanted to come back home. Atlantis Submarine was also required to contribute USD50,000 to local public schools, provide reduced fares at least one day per month for residents of the territory, especially school children and senior citizens, provide 80% coverage for employees' health, dental, air ambulance, and prescription drug insurance, contribute at least 3% to employees' retirement plans, and provide management training. In fact, Atlantis Submarine exceeded its requirements and employed 25 people directly (and many others indirectly) – at least until the Virgin Islands Legislature took away its benefits. Instead of helping visitors from around the world explore the underwater world around St. Thomas, those employees are now attending employment workshops held by the Virgin Islands Labour Department.

Atlantis Submarine received its benefits from the EDC “to conduct the operation of a recreation – submarine excursion tour service.” The benefits provided by the EDC did what they

were supposed to do: attract tourists to the territory and provide them with a unique experience while they were here. In fact, as the Virgin Islands Daily News reported on 5 March 2009, in 2004 Princess Cruises selected Atlantis Submarine as its C.R.U.I.S.E Shore Excursion of the Year, saying that the tour “provided cruise ship passengers with a positive and memorable experience that effectively showcased St. Thomas as a premier destination.” In spite of such accolades, in 2008, politics and pirates got in the way.

In February 2008, another boat-based business arrived on the St. Thomas scene to provide entertainment to tourists, Pirates Harbour Tour. Owned by a local entrepreneur, the attraction's plan was to sell tickets, primarily on board cruise ships and then deliver passengers to three destinations around the St. Thomas Harbour: Crown Bay, the Charlotte Amalie waterfront, and Yacht Haven Grande, on a hop-on, hop-off basis. Passengers could travel among the three destinations all day. The boats, flat-topped power catamarans, were crewed by actors taking on the identities of famous pirates and telling folk stories about the islands to educate visitors about the local history of the Virgin Islands, while music from Disney's “Pirates of the Caribbean” provided a whimsical lyrical backdrop. A retired drama professor from the University of the Virgin Islands took on the critical task of instructing the crew members on historical events. The passengers could buy doubloons on board to spend at participating shops. Cruise ship passengers loved the new venture and both Virgin Islands Governor John P. deJongh, Jr. and Tourism Commissioner Beverly Nicholson-Doty supported the attraction.

However, taxi drivers considered Pirates Harbour Tour to be unwanted competition, effectively providing “water taxi” services that would take passengers off the crowded roads and give them an alternative means of transport from spot to spot. The taxi organisations in the Virgin Islands noted their opposition from the start because, as cited in the St. Thomas Source on 26 February 2008, “our position is that this is being presented as a water taxi, and we are opposed to it.” The taxi drivers then lobbied the Virgin Islands Unicameral Legislature to pass an amendment that would prohibit any water-based tours from receiving benefits through programmes sponsored by the Economic Development Authority, which is the umbrella organisation of the EDC. One senator noted that “access to EDC benefits leads these businesses to have an unfair advantage over land-based taxis.”

Ironically, Pirates Harbour Tour never planned to apply for benefits from the EDC. However, that didn't stop the Senators, eager to curry favor with the taxi industry and its many votes,

