

**STATEMENT OF CHIEF MINISTER,
THE HON. RALPH T. O'NEAL
IN THE LEGISLATIVE COUNCIL
3 AUGUST, 1995 ON
BEEF ISLAND AIRPORT DEVELOPMENT**

All experts on further development of tourism in the British Virgin Islands and the Tourist Board itself have advised Government that improvement of air access and the development of our air transport infrastructure is a prerequisite. The experts have also advised that improvement of our air transport infrastructure must be accompanied by an addition to our tourism plant and the diversification and development of our tourism product. In particular, we must increase the number of hotel rooms and other types of accommodation while we add activities such as golfing and eco-tourism related activities.

After due consideration of all the expert advice and the input of the local tourism industry, the Executive Council, during the course of last year, made the formulation of a National Tourism Development Plan and the development of airports on Beef Island and Virgin Gorda the centerpiece of our strategy for further development of tourism in this country. With regard to Beef Island Airport, the intention is to build a new terminal building and extend the runway in phases to accommodate direct jet traffic from the Continental United States. A prefeasibility study in this regard has been executed by WS ATKINS of the U.K. with financial assistance from Her Majesty's Government. Earlier this year all Hon. members of this House were given copies of this study. In the case of the Virgin Gorda airport, the withdrawal of American Eagle and consequential business losses incurred by the eleven (11) hotels on that island dictate that we must undertake a small extension to the runway for safety reasons and upgrade the other operating facilities.

Getting back to the Beef Island Airport, over the years, including by other Governments, studies by Plessy Airports, Sir Alexander Gibb & Partners, Transport Canada and Design SA have all concluded that an extension on the existing alignment would be the most efficient and economical undertaking.

During the years 1990 - 1994, with a number of interruptions in between due to securing of funds, funding limitations, funding agencies bureaucratic procedures and linking of the terminal and runway, the design of a terminal building of 50,000 square feet was financed by the European Union and executed by Design SA of Athens, Greece under the supervision of the European Commission Office in Barbados. This facility was estimated to cost about \$15.0mn. Expectedly, so, we sought financing from outside sources including the European Investment Bank (EIB). This institution, late last year, indicated that their participation was contingent upon a Second Opinion on the terminal building design and the development of a Master Plan for extension of the runway at their expense. Late last year Executive Council accepted this advice and these prerequisite activities were executed by the Netherlands Airports Consultant Company (NACO) under contract and supervision of the EIB between February and May this year with an \$80,000 grant.

Upon receipt of the NACO report Government was informed, through the EIB, that the European Commission and the British Government favoured its recommendations for both the terminal building and the runway extension. After consultations with and the advice of the EIB, the European Commission and Local Government officials, Executive Council, on 5 July 1995, accepted the recommendations of the NACO Report and the offer of the EIB to finance the engineering and construction costs up to 25 percent of the total project cost.

The NACO recommendations include the following measures and studies in an overall schedule that enables the airport operation to complete the preparatory steps and to execute the construction of works in a coordinated way so that the operations of the airport are not unduly interrupted.

- (i) **The First Phase** contains those facilities that could be built without further studies including an airport terminal building of 35,000 square feet, 250,000 square feet of new apron space, a small cargo facility, a new relocated access road, land side infrastructure such as parking, curbsides, walkways and roads, terminal area fencing, drainage, sewerage systems and all related utilities. This phase is to be completed by mid 1997.
- (ii) **The Second Phase**, which will be determined after further detailed studies, includes extension of the runway to 5,000 feet and upgrading of various aeronautical facilities. This phase is to be operational by the end of 1999.
- (iii) **The Third Phase**, which will be determined after further detailed studies and the performance of the second phase, includes extension of the terminal to 50,000 square feet. This phase should become operational at the beginning of the year 2001.

On 26 July, 1995, officials of the EIB, the European Commission, NACO and the BVI met in Luxembourg for negotiations and discussions concerning the financial, logistical, construction and technical assistance aspects of the implementations of Phase 1. As these negotiations are incomplete and involve third parties, it would be most inappropriate to disclose details at this moment. However, when these negotiations are completed full information will be brought to this Honorable House.

In addition to the engineering and construction works involved, the BVI Government, the British Government and all other relevant financing institutions have agreed that an extensive Environmental Impact Assessment (EIA) will be undertaken simultaneously and an environment monitor system is to be left in place. Terms of reference for this study have been prepared and indications are that it will be very expensive but Government is firmly committed to this course of action. During the recent discussions with officials of the Dependent Territories Regional Secretariat in Barbados, the

possibility of the British Government assisting with the EIA was raised and they promised to consider this.

Earlier mention was made of the importance of increasing the number of hotel rooms and diversifying the tourism product. Ladies and gentlemen we are all aware of the proposed

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Tourism development project for Beef Island and its proximity to the Beef Island Airport. Full consideration has been given to this by Government, and officials have been instructed to facilitate a collaborative effort by the consultants for the private developer and those for the BVI government involved in design of the airport extension and terminal facilities to ensure that both projects proceed in harmony.

Ladies and Gentlemen this is the up-to-date position.

Further developments will be brought to this Honorable House as they arise.