

USVI TESTIMONY

Testimony Before the Subcommittee on Emergency Preparedness, Response, and Recovery, Committee on Homeland Security, House of Representatives



Good Morning, Chairman Payne, Ranking Member King, and Members of the Subcommittee. I am Adrienne Williams- Octalien, Director of the Office of Disaster Recovery in the U.S. Virgin Islands. Thank you for the holding this hearing and for the opportunity to provide testimony on the status of the Recovery in the Virgin Islands.

The Territory is fragile. With a population of a little under 110,000 people, the recovery from two back to back Category 5 storms has been slow and painful.

If you ask how is the Virgin Islands doing? I report that we were banged up pretty badly, but bandaged up with temporary fixes that have left our infrastructure very vulnerable.

Our only hospital on the island of St. Croix is functioning with one operating room with portions of the hospital rendered unusable. A temporary hospital modular unit is erected but still has to be outfitted with furniture, fixtures and equipment. Residents are still being flown off-island to access critical care that otherwise cannot be provided by our health care facilities. This has a detrimental financial impact on the Territory's public health system, as much needed revenue to support our institutions leave with these patients.

Many of our roads remain in despair. Our schools still only have temporary fixes with no permanent solutions before the upcoming school year. Many of our public buildings offer less than optimum working environments due to hurricane damage.

Housing remains an area of great concern as we still have families with compromised roofs covered with tarpaulins which have more than exceeded their life expectancy. Through the FEMA

STEP Program, the Territory has been able to repair 7,200 homes but 3,563 homeowners are still in need of repairs as we move deeper into the hurricane season.

Yet almost two years after the storms, of the 1.8 billion dollars that have obligated to the Territory only \$654 M has been obligated to permanent work.

The Territory is grateful that Congress has recognized the complexities of the recovery in the Caribbean. The efforts through the Disaster Recovery Reform Act of 2018, the Bipartisan Budget Act of 2018 and the Disaster Relief Act of 2019 are well received.

The consternation comes with the implementation of these legislation. The Bipartisan Budget Act allows for use of Industry Standards and repair of pre-disaster damages and undamaged components. It took 222 days from the passage of the legislation for FEMA to issue the guidance that allows the Territories to access these new authorities.

The Disaster Reform Act of 2018 allows for use of Consensus-Based Industry Standards. While we understand that FEMA guidance is forthcoming, the wait is 279 days and counting.

In April 2019, FEMA denied the USVI's request for a Territory-managed 408 Permanent Housing Construction Pilot Program because the policy was not ready (even though Congress gave FEMA the authority for Pilot Programs until policy was developed).

We are also awaiting the FEMA guidance on the Disaster Supplemental passed in June 2019. The real life implications are dozens of critical infrastructure projects that were close to meeting the 50% threshold for replacement under the old rules are on hold pending FEMA guidance.

The timeframes for the guidance to be issued are lengthy for both the HUD CDBG-DR and the FEMA funded programs. We have no choice but to wait for the guidance because the Territory in its fragile economic state is unable to risk expending funds that could be denied reimbursement. To the extent possible, we recommend that timeframes/deadlines be included in the legislation for the administering agencies to produce the implementing guidance.

The 2017 hurricanes not only wreaked havoc on our critical infrastructure but to the treasury of the Virgin Islands as well. The financial impact of the back-to-back storms was \$11.25 billion; and the projected revenue loss from the storms is approximately \$576 million. Projects funded under FEMA's Public Assistance program are estimated to cost \$5 billion with a 10% match requirement totaling approximately \$500 million. The identification of funds to meet the match requirements is concerning considering the Territory's fragile financial condition.

The Territory requested that the President direct FEMA to utilize the authorities of the Insular Areas Act to waive the non-federal cost share for the FEMA Public Assistance program. We are grateful for the decision to invoke the authorities under the Act to waive the cost share for the Hazard Mitigation Grant Program.

It is our deepest hope that consideration be given to this request. If the 10% cost share is waived, the USVI can instead redirect those funds to help rebuild the thousands of homes damaged by the hurricanes and to protect the federal investments in reconstructed critical infrastructure to lessen the need for taxpayer funded disaster assistance in the future.

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We remain grateful for the hardworking men and women of FEMA who have dedicated their time to assist in the recovery of our beloved islands. We express our appreciation to FEMA for their willingness to address the pervasive issues of the Recovery and their commitment to providing resolutions. The good news is the new PA model has reduced the steps to obligation. The not so good news is it still is 47 steps.

The lack of resources and qualified manpower to complete the Detail Damage Description by the March 2020 deadline is also of concern. After this timeframe, the Territory would be subject to FEMA's discretion on a project by project basis to grant an extension. Unless the pace increases, we are fearful that all the DDDs will not be completed by the deadline despite our best efforts.

We are not insensitive to the challenges that FEMA faces with multiple disasters across the nation and the challenges with the human capital to meet the demand. We do however remain concerned that the Territory does not bear the brunt of this shortcoming.

Despite these challenges the resilient spirit of the people of the Virgin Islands is alive and well. We must ensure that the federal relief is not distributed with the heavy hand of bureaucracy where we focus more on the PDMG, the DDD, and the NDRF and forget the PEOPLE who are still suffering from the effects of these unprecedented storms.

I thank you for the opportunity to provide this testimony.

Thank you.