

GOVERNOR OF PUERTO RICO Ricardo Rosselló Nevares

August 30, 2018

President Donald J. Trump The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500-0004

Via: Mr. Thomas Von Essen Regional Administrator FEMA Region II One World Trade Center 521 Floor New York, New York 10007

Dear Mr. President:

The purpose of this letter is to formally appeal FEMA's August 15th, 2018 denial of the Government of Puerto Rico's request to extend 100% Federal funding for debris removal (Category A) and emergency protective measures (Category B) under the Major Disaster Declaration declared for Puerto Rico as a result of Hurricane Maria (FEMA-4339-DR-PR). Our appeal requests an extension of the 100% Federal funding for a period of 90 days for Category A and an extension of 120 days for Category B.

On September 28, 2017, pursuant to Amendment No. 1 to the Major Disaster Declaration, the Administrator of FEMA found that the effects of Hurricane Maria were of sufficient severity and magnitude that special cost sharing arrangements were warranted. Such Amendment provided for 100% Federal funding for debris removal and emergency protective measures for a period of 180 days. On February 23, 2018, in Amendment No. 7 to the Major Disaster Declaration, the Administrator

La Fortaleza, San Juan, PR 00901 * PO Box 9020082, San Juan, PR00902-0082 * gobernador@fortaleza.pr.gov * 787.721.7000

again found that the severe impacts of Hurricane Maria were continuing and warranted an extension of the special cost sharing arrangements for an additional 90 days for debris removal and an additional 60 days for performance of emergency protective measures. In April, Puerto Rico was still heavily involved in both debris and emergency response activities with millions of cubic yards of debris still to be removed and temporary repairs to critical infrastructure systems sill ongoing. The continued fragility of the Island infrastructure is illustrated by the Island-wide blackout caused by a minor storm on April 18, 2018. As a result, by letter dated April 26, 2018, the Governor's Authorized Representative (the GAR) requested a continuation of the special cost sharing arrangements to allow sufficient time to complete the ongoing and critical Category A and B activities.

This request was only partially responded through Amendment No. 8 to the Major Disaster Declaration, dated May 23, 2018, with the 90-day extension of the period of 100 percent Federal funding for emergency power restoration and a 120-day extension of the period of 100 percent Federal funding for emergency temporary power support and Sheltering and Temporary Essential Power (STEP).

The current funding protocol for Category A expired on August 16, 2018, and is scheduled to expire for Category B on September 15, 2018. The conditions that warranted the special cost sharing included, but were not limited to, response to unreliable power sources, significant debris removal and disposition challenges, lack of safe, secure and sanitary housing alternatives, and depleted financial reserves for municipalities and the Commonwealth agencies. These dire conditions still exist for the people of Puerto Rico, and, in such regard, we request further consideration of our request to continue the 100% Federal cost share for both categories A & B.

It has already been acknowledged that Hurricanes Irma and Maria dealt a devastating blow to Puerto Rico, resulting in the largest and most complex disaster response and recovery effort in U.S. history. In terms of the Public Assistance grant program alone, the devastating effects of Hurricane Maria will be two to three times those of Hurricane Sandy or Hurricane Katrina, both of which included extended periods of additional support from the FEMA programs. The US citizens of Puerto Rico deserve no less.

Hurricane Irma skirted the northern coast of the Island from September 6-7, 2017 as a Category 5 storm, causing significant flooding, regional power and water outages, and other significant impacts. Before response operations had even concluded however, an even more devastating Hurricane Maria slammed into Puerto Rico on September 20, making a direct strike as a strong Category 4 storm and causing widespread devastation and destruction the likes of which the island has never seen. Maria represented a "worst case scenario" for Puerto Rico, tracking east-to-west across the island and leaving no one and no thing untouched. Within a matter of hours, 100% of Puerto Rico's population, economy, critical infrastructure, social service network, healthcare system, and even the government became casualties of the storm. All power was lost across the Island as a direct result of the catastrophic failure of the Puerto Rico Electric Power Authority's (PREPA's) transmission and distribution infrastructure to the point that even today, almost one year after the event, full power is not restored, and the system is still very susceptible to outages from weather events. The status of the system causes great anxiety for all households and businesses across the island with a continuing negative impact on the economy of the Island. This produced a cascading effect that impacts critical infrastructure and services that relied on power to operate (such as airports, seaports, hospitals, water systems, communications networks, hotels, traffic and street lights, etc.), and continues to cause a devastating blow to Puerto Rico's fragile economy - an impact that continues to be felt throughout the island even today and that is expected to last for many years.

Consideration of the pre-hurricane conditions of Puerto Rico's infrastructure coupled with the fiscal conditions of state and local governments is critical to understanding the profound impact of Hurricane Maria and the intensity of damage the Island experienced. Puerto Rico is still in emergency response mode with respect to restoring power, water, other critical services, and removal of debris. It is imperative that we receive the resources necessary to successfully complete our emergency response efforts so that we can set a solid foundation upon which to build the process of recovery. Denial of this request will require additional fiscal resources from an already fiscally burdened Puerto Rico that will drastically impact our ability to fully complete the emergency response and closeout of Category A and B projects, which are still underway. Furthermore, the additional burden will significantly constrain our ability to financially support the critical tasks of long term recovery as outlined in the Governor's Economic and Disaster Recovery Plan ("Recovery Plan") presented to Congress on August 8, 2018. To execute the Recovery Plan, it is essential that we receive the additional fiscal support intended in our request for 100% federal funding for an extra period of time. Failure to provide that support will limit the Government of Puerto Rico's ability to make significant contributions to fund some of the courses of action and ultimately slow down and in some cases, especially at the local governmental level, completely stop this essential activity. This support reaches beyond just recovery efforts and includes the many aspects of economic recovery, which is critical to the long-term recovery and sustainability of Puerto Rico. As we are currently in the 2018 Hurricane Season, we request the extension be provided, at a minimum, through November 30, 2018, to ensure we have the full resources at hand to finish this important emergency work expeditiously. Failure to complete debris removal will compound the flooding effects of any storm that hits the Island, and failure to complete temporary repair work to electrical, water, roads and other critical infrastructure will exacerbate the vulnerabilities of the citizens of Puerto Rico. Moreover, over 472,000 housing units across Puerto Rico were destroyed or received major damage, with another approximately one-half million homes damaged to lesser degrees. However, to date, only 41% of households that applied to the Individual Assistance program were approved for grant support. Similarly, only 11% of Puerto Rican citizens who applied for Small Business Association (SBA) housing loans have been approved for support. These figures demonstrate the critical necessity of continued federal aid for the people of Puerto Rico as they continue to build capacity for storms to come.

In addition, both storms created severe threats to public health and safety – a condition that continues to this day. Initial estimates indicated Hurricane Maria produced more than 6.2 million cubic yards of vegetative, construction and demolition debris across Puerto Rico, impacting transportation, restricting access to hard-hit areas, and creating an environment that is ideal for rodent infestation and the spread of disease. Nearly all water and wastewater treatment plants in Puerto Rico were rendered inoperable, resulting in the release of millions of gallons of untreated waste into the environment, which we are still attempting to remediate. Furthermore, many hospitals and primary care facilities were forced to close, nursing homes were left without power and resources, the social service "safety net" fell apart, and basic

resources such as clean and potable water, food and medicine became scarce and turned the emergency on the island into a humanitarian crisis. As we continue the cleanup and return of basic services, these conditions are still adversely affecting a return to normalcy. A further delay of completing debris removal activities and ongoing emergency protective measures as a result of Puerto Rico's inability to afford the cost share, will greatly inhibit our return to normalcy.

The basic premise for a Presidentially declared disaster, as expressed by Title 44 to the Code of Federal Regulations, is a determination that the event is "beyond State and local government's capability to respond". Due to the devastating effects of Hurricane Maria coupled with the fiscal condition of Puerto Rico, both at the state and local level, the "beyond capability to respond" condition continues. A denial to extend the 100% Federal funding will have an extremely detrimental effect on the Island's ability to complete the work and will negatively impact our ability to move the recovery process forward.

In our previous correspondence of June 18, 2018, and August 8, 2018, we emphasized the conditions that supported a determination that additional Federal support is needed to effectively conclude the response phase of this disaster. We reemphasize these conditions as follows:

The Sheltering and Temporary Essential Power (STEP) program continues to • have significant work ahead. STEP currently has 110,877 task orders issued and of those, we currently have 64,895 for which repair, and final inspection have yet to be completed, meaning that the invoicing associated with these remaining works has yet to be submitted and will generate substantial costshare. It is imperative to note that this program is the largest among the four US jurisdictions wherein it has been implemented. Furthermore, even combining the implementation of this program throughout all jurisdictions, it dwarfs in comparison with Puerto Rico. The premise for the STEP program is to provide sufficient repairs to a home to achieve a safe and habitable condition such that the family does not have to go to a shelter. It is imperative that this work continues to avoid massive sheltering activity should there be an additional disaster event. The Puerto Rico Department of Housing is managing the STEP program and will not have sufficient funding to complete the project if the special cost sharing arrangements are not continued.

OFFICE OF THE GOVERNOR LA FORTALEZA

- Debris continues to be a major issue. There has been a proliferation of illegal dumpsites creating a health hazard in many parts of the Island. Failure to complete the debris removal activities will exacerbate flooding events and further delay recovery. To date, 45 municipalities and 17 governmental agencies have uncollected/unprocessed debris totaling almost 4 million cubic yards. This is a significant amount of activity and includes both debris operations ongoing and estimated debris from the Private Property Debris Removal Program. Puerto Rico Department of Transportation's (DTOP) financial capability will not allow it to continue its debris removal activities of 1.5 million cubic yards of debris without extension of the Federal funding provisions.
- While much progress has been made in power restoration, there are still a number of critical health and safety facilities that require generator power due to the continued fragility of the power grid and infrastructure.
- According to an independent analysis commissioned by the governor of Puerto Rico and conducted by researchers at George Washington University's Milken Institute School of Public Health, approximately 2,975 deaths can be attributed to the effects of Hurricane Maria, from September 2017 through February 2018. It has become clear that the failure of critical infrastructure because of the storm, the large amount of debris, landslides, damage to roads, and other impacts of the storm, inhibited Citizens of Puerto Rico from receiving necessary medical care. If Puerto Rico is not given the resources necessary to complete temporary repairs to critical systems and finalize debris removal, Puerto Rico will suffer the same effects in the next storm costing additional lives.
- The true impact of the cost share on municipalities is unknown. As not all emergency work projects are eligible under CDBG-DR, the impacts to municipalities cannot be quantified. Currently, GPR has already accumulated over \$20 million in non-federal cost share matching requirements. This will have a significant impact on both the Government of Puerto Rico and municipalities across the Island. In addition to impacting the ability to target GPR and municipality funds towards the economic recovery of Puerto Rico.

RICARDO ROSSELLÓ NEVARES GOVERNOR

The emergency conditions that supported the original finding of "severity and magnitude" still exist in the island. There is no dispute that the massive devastation caused by Hurricane Maria on Puerto Rico is greater than any other storm in U.S. history. Therefore, Puerto Rico will need additional support through the continuation of the special cost sharing arrangements. Absent this support, the delays in the execution of emergency work will stall further the rebuilding process, affecting the more than 3 million US citizens in the island.

I respectfully urge a reconsideration of the denial of the Government of Puerto Rico's request for an extension of the 100% Federal cost share and that this extension continues at least through the end of the current hurricane season. This is a critical moment in the history of the United States and it is imperative that America stands by its citizens in Puerto Rico.

Sincerely,

Ricardo Rosselló Nevares Governor

C.c. William B. "Brock" Long, FEMA Administrator