

**Written Testimony of Senate President Myron D. Jackson of the
Legislature of the Virgin Islands
Before the Subcommittee on Interior, Energy, and Environment of
the Committee on Oversight and Government Reform
Capitol Building, Earle B. Ottley Legislative Hall,
St. Thomas, Virgin Islands of the United States**

Monday, March 12, 2018

Good morning Honorable Blake Farenthold, Chairman, and Honorable Stacey Plaskett, Delegate to the Virgin Islands and Ranking Member.

It is a pleasure to host The Subcommittee on Interior, Energy, and Environment of the Committee on Oversight and Government Reform today in the Earle B. Ottley Legislative Chambers on St. Thomas. On behalf of the 32nd Legislature of the Virgin Islands, we are grateful for the opportunity to testify before you today at this field hearing to assess the impacts of the 2017 Hurricane Season on the Virgin Islands of the United States.

The double blow of the two Category 5 storms, Hurricanes Irma and Maria - to our territory had a crippling effect on our Territory, from which we are still in turmoil in areas such as healthcare, schools, emergency services, housing, our electrical system, agriculture, and environment and our cultural heritage and tourism industries.

Without the assistance of the U.S. government – federal funds infused into our economy, and the hundreds of men and women sent to assist the Virgin Islands, we could not be where we are on the journey to recovery. Thank you to the Federal Emergency Management Agency and all of the linemen, engineers, and national emergency workers who have expended countless hours to work with our local officials, first responders, local and national military forces, volunteer groups and others in our restoration from the devastating natural disasters we experienced last September.

Federal Disaster Assistance - Community Disaster Loan:

The Virgin Islands is grateful for the financial assistance approved by Congress in October 2017 in the form of a \$500 million low-interest Community Disaster Loan from FEMA which will cover revenue loss and support the territory's hospitals, central government operations, and Water and Power Authority over the course of the next three fiscal years. However, there are concerns with the terms of the loan agreement. We have been forced to pledge our gross receipts and rum cover over monies as a senior lien necessary to access these funds. This requirement is levied against the backdrop of a territory in financial distress, reeling from the pull out in 2012 of our major employer HOVENSA, and unbalanced reimbursements for Medicare and Medicaid. Coupled with the unfunded Earned Income Credit and our inability to access the market, we ask that you revisit the process for the Virgin Islands to access the Community Disaster Loan funding. We also requesting your advocacy in forgiveness of these loans so that the Territory can fully recover and continue to advance economically as efforts were being made prior to the arrival of the storms. We are also extremely pleased and grateful that Congress approved \$89 billion to areas impacted by natural disasters to include the Virgin Islands and Puerto Rico. It is calculated the Virgin Islands may ultimately receive an excess of \$7.5 billion requested for our recovery.

Medical Evacuees:

The most glaring casualty of the historic 2017 hurricane season has been our medical evacuees, who since the destruction of all our hospitals, are in a fight for their lives for treatment and care and the support of their loved ones after they left the Territory before and after the storms. In the disarray that unfolded, over 500 patients were transported out of the Virgin Islands, with close to 140 remaining on the mainland. As of last month, according to Commissioner of Health Michelle Davis, at least 43 evacuees have died. Under the current response plan, FEMA, the Department of Health and Human Services, Department of Defense, all have responsibilities for medical evacuees. Hurricanes Irma and Maria exposed the chaotic management of our most vulnerable citizens. There

is a need for consolidating responsibility for medical evacuees under one agency. That agency must keep a chain of custody on each patient, including the names of the accompanying family member and an additional emergency contact. We cannot allow evacuees to be further stressed by this uncertainty. We must and can do better for our citizens as they are forced to leave their homes to seek medical services during disasters.

I and other Senators personally visited with dialysis patients transferred to Atlanta, and heard their tales of isolation, lack of communication and neglect felt by many. Similar stories are coming out of Puerto Rico, Florida, and Fort Jackson, South Carolina. These strategies will be critical in strengthening the emergency plan in times of natural disaster, and the possibility of stemming the high number of casualties suffered in the wake of these two devastating hurricanes. They will assist in filling gaps when it comes to issues such as culturally-sensitive food, appropriate clothing, and transport of patients, and family members, especially of those evacuees with strong desire to return to their homes.

Housing:

Another primary concern for the territory in the wake of the hurricanes was the response to our displaced residents. A prime example is that the Department of Housing and Urban Development on February 2, 2018 announced it was offering \$243 million to help the Virgin Islands recover from the effects of Hurricanes Irma and Maria. The devastating pictures of the Tutu Hi-Rise and Lagoon Street communities could paint no clearer image of the destruction to hundreds of homes that were ripped apart. No immediate emergency housing was provided for residents living in areas devastated by the storms, such as Tutu High-Rise and residential communities within the territory. In the immediate aftermath of storms, temporary housing is needed on the ground.

Criminal Justice/Emergency Operations

In regard to our corrections facilities, the Alvin A. Swan Annex sustained major damages decreasing the amount of inmates that can be housed. 76 inmates were moved from St. Thomas to St. Croix to Golden Grove because electrical power at the Criminal Justice Center was non-existent. St. Croix lost its administrative office.

Another major issue regarding our emergency preparedness is the lack of adequate warning systems and communications from VITEMA. Most recently a Tsunami alert created panic in the territory. The towers were damaged and our ocean warning devices require our attention, funding for replacement.

Schools:

The overriding concern in the area of education is the split sessions of many of our schools in the territory. In retrospect, based on the amount of damages sustained to our school plants and facilities, modular systems should have already been in the territory to assist with this deficiency. During the response period, the Department of Education in collaboration with the Army Corps of Engineers developed plans for temporary modular classrooms. This plan changed when we entered the FEMA recovery mode which made this task unsurmountable to be achieved by the Department. This school year is lost. Modular systems will now be in place for the 2018-2019 school year through an initial FEMA budget approval of \$42 million. Additional concerns include mold remediation, teacher shortages, limited instruction periods, and returning our student population to the territory. Participation in the School Lunch Program has dropped dramatically after the hurricanes which will impact our fiscal year funding for 2018-2019. A loss of \$1.5 to \$2 million is expected compared to fiscal year 2016-2017.

D-SNAP:

From November 13 to Nov. 18, 2017, residents of St. Thomas, St. John, Water Island and St. Croix could apply for the Disaster Supplemental Nutrition Program under the US Department of Agriculture's Food & Nutrition Service – to receive short-term food assistance benefits for families suffering in the wake of the storms. This simplified application to the normal SNAP guidelines allowed our people to buy food for two months for their families from grocery stores and food vendors in the program that had access to electricity and the ability to accept cards. The first day, after enduring lines that for many lasted three or more hours, 2,228 persons registered for the program. Of the territory's population of roughly 100,000 persons; the program funding of \$23 million approved for the Virgin Islands was said to cover 38,000 qualifying residents. In comparison to other states and territories, the allotment for the Virgin Islands was dramatically smaller for a household of 1 person, with a disaster gross income limit of \$1,567, or \$247 monthly. In households of 1 person Guam, it is \$1,953 and \$283 monthly. In Hawaii, it is \$2,100 or \$358 monthly. And in the 48 contiguous states it is \$1,700, and \$192 monthly. I respectfully submit that the amount allotted to this territory's residents needs to be substantially increased to be on par with other jurisdictions across the nation.

Energy:

The Virgin Islands consumers pay one of the highest rates in the nation. Electricity rates as of February 1, 2017 are 32.34 cents per kilowatt hour for the first 250 kilowatt hours and 34.96 cents for all other kilowatt hours for residents. The commercial rate was 38.85 cents per kilowatt hour. According to reports from Virgin Islands public utility officials, the most extensive damage sustained by our Water and Power Authority was to the transmission and distribution system and the overall electrical grid. The two power plants, in Estate Richmond on St. Croix and at Krum Bay on St. Thomas, sustained some damages that delayed restoration on St. Thomas, however the transmission and distribution system suffered losses from Hurricane Irma on the magnitude of 80% on St. Thomas and 90% on St. John, with the two outlying islands, Hassel

Island and Water Island, each suffering about 90% damage to their electrical infrastructure. Hurricane Maria rendered about 80% damage to St. Croix's system.

Approximately 1,000 off-island public utility and private linemen provided and local electrical companies contributed to the effort to rebuild the transmission and distribution system. A monumental logistic effort was made to transport them along with vehicles, equipment, supplies and material inventory to the territory via cargo shipping. These materials and supplies competed for space with private businesses and individuals that were also shipping supplies to the islands.

WAPA plans to replace traditional wooden poles with composite poles on various key transmission feeders on all islands, which will be able to withstand sustained wind speeds of up to 200 miles per hour. About 4,300 composite poles are identified for major primary electrical circuits for the St. Thomas-St. John district, and approximately 5,900 composite poles on St. Croix.

WAPA has also been awarded hazardous mitigation funds to underground more of its main transition and distribution circuits. Some of these funds have also been approved to install two small emergency generators on St. John, as the island is currently without backup generation.

WAPA is also exploring the benefits of electric micro grids that in the event of a major electrical service interruption can function as a small generating facility to produce electricity on its own power. WAPA is currently working to develop the initial micro grid in conjunction with the Virgin Islands Port Authority at St. Croix's Henry E. Rohlsen Airport.

Food Security & Agriculture

The nutritional health after the storms were grossly inadequate by the MRE's and snack boxes provided by FEMA during this crisis. Our agricultural industry nearly grinded to a halt, with administrative offices in St. Croix, two large greenhouses, irrigation systems and access roads badly compromised by storm waters. The loss of 85 percent of solar equipment at the Bordeaux Farmers Market was matched with the complete flooding of the Abattoir on St. Thomas, while water storage tanks of about 90,000 gallons of water were among the damage at the

Community Garden in St. Croix. Farmers markets in both districts are slowly coming back online, although our major agricultural fairs have had to be canceled or postponed. One of the biggest concerns is that of Virgin Islands farmers who are challenged with qualifying for disaster assistance in the wake of losses experienced during the hurricanes. In St. John, wells in Coral Bay With resurrection of power and water lines as well as internet services, the infrastructure is slowly being repaired, one challenge at a time services are being re-established and projects scheduled pre-hurricane are revisited.

Customs & The Denton Act

The Virgin Islands was allowed by the United States Congress to impose custom duties on goods coming into the territory as a means of generating revenues. Several years ago the Federal government began to retain millions of duties to cover their operations. This was done without local government involvement. \$15,000,000 on average is retained by Customs and Border Patrol. In the aftermath of the hurricanes, it became evident that the dollars collected in the territory are not deployed to enhance technology or processes. One example, is the ACE software that is available to other jurisdictions. The ACE software allows Customs to track emergency supplies leaving other ports. This allows this to prioritize containers containing emergency supplies. Instead many ships and containers were not processed delaying our recovery efforts in the territory.

The Denton Program allows private U.S. citizens and organizations to use space on U.S. military and cargo planes to transport humanitarian goods to countries in need. The Virgin Islands is not included and emergency supplies are not allowed on military planes during disaster responses.

Environment/Debris

The debris that has accumulated in our islands continues to be a challenge since the hurricanes. As of March 2, 870,726 cubic yards of storm debris has been collected by the U.S. Army Corps of Engineers and territorial agencies. Disposing of this debris is what we are now faced with. The

Legislature of the Virgin Islands took a position through Act No. 8018, banning the burning of all fallen trees and other vegetative debris generated as a result of a natural disaster was a major health hazard to our residents. Other options for disposing of storm debris need to be included in the disaster assistance.

The protocols for cultural resources are grossly inadequate after advocating for months within FEMA. Finally, after six months, cultural resources professionals are on the ground and working with institutions and government entities.

Thank you to the Members of the 32nd Legislature for your contributions to this report, and to the Chair and Delegate to Congress for the opportunity to give an overview of some of the ongoing concerns regarding strengthening the working partnership between federal and local officials to improve disaster response. Your commitment to seeing the Virgin Islands through this period of rebuilding is appreciated.