



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

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CONTACT
[CJ Young](#) – (202) 225-5735

Pallone Opening Remarks at Hearing on Post-Hurricane Energy Infrastructure Recovery Efforts

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Washington, D.C. – *Energy and Commerce Committee Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Energy hearing titled, “The 2017 Hurricane Season: A Review of Emergency Response and Energy Infrastructure Recovery Efforts:”*

Mr. Chairman, thank you, for convening today’s hearing reviewing the disastrous 2017 hurricane season, which has wreaked havoc on many parts of our country. I am grateful to former Senator Nieves of Puerto Rico and Mr. Rymer of the Virgin Islands for coming here today, but disappointed that the Committee did not even receive a response to its outreach to the Puerto Rico Electric Power Authority (PREPA). I have serious concerns not only about how PREPA has overseen the effort to restore power in Puerto Rico, but also more broadly on how PREPA has managed – or more accurately, mismanaged – the grid in Puerto Rico over the years.

Today we are focusing on the energy infrastructure recovery efforts, and I must say that accounts from the areas affected by these storms paint a dire situation that completely contradicts the often rosy stories that come from the White House. The truth is that, taken together, Puerto Rico and the Virgin Islands are currently experiencing the largest blackout in American history. And, this nightmare for our fellow citizens is far from over.

The central questions for us today should be: why it is taking so long to restore power in Puerto Rico and the Virgin Islands, and who is actually in charge of the effort to restore power to Puerto Rico? No one person or entity seems to be in charge, and it is fostering a chaotic and ineffective effort to restore power on the island. I want answers and so do many of my colleagues on both sides of the aisle.

I am also troubled by the maze of contracts with numerous companies for overlapping missions—a patchwork that is failing to turn the lights back on in Puerto Rico. It needs to

change now. I am deeply concerned by the terms of the contracts PREPA signed with Whitefish and Cobra Acquisitions, which went so far as to bar PREPA from holding the companies liable for delayed completion of grid repair work or letting the government audit their work.

Governor Rosselló has since taken steps to have the Whitefish contract canceled, but we need to learn more about how these contracts are being awarded and whether the bidding process is truly competitive. That's why Chairmen Walden and Upton, and Ranking Members Rush, DeGette and I have requested documents and a briefing from Whitefish so we can learn more about how that troubling agreement materialized.

Additionally, FEMA issued a statement that said it had no involvement in the development of this contract. My question is: why not? The federal government should be engaged in the contracting process of large scale rebuilding contracts for which U.S. taxpayers will ultimately foot the bill. The federal government needs to step up and take charge to expedite power restoration efforts.

Missions like this are why we have a strong federal government – simply put, the Trump Administration needs to be doing more. If we can't get the power turned back on soon, more people are going to die. This is a humanitarian crisis and our government owes it to the citizens in these territories to do everything it can to fix it.

While restoring power quickly is the most urgent concern, it is also crucial that the grid in Puerto Rico and the U.S. Virgin Islands be rebuilt with more modern energy technologies focused on increased resiliency, energy efficiency and renewable energy. Replacing the old grid as it stood before the storm will cost taxpayers more money and do nothing to make electricity in Puerto Rico more reliable or affordable.

As Congress prepares the next emergency spending bill, we must make changes to current law to enable the rebuilding to occur in a way that lays the groundwork for constructing a modern electricity grid in the territories. Failing to invest wisely in Puerto Rico now will only cost all taxpayers more down the road. And, we must consider innovative ways for turning around Puerto Rico's situation, including alternatives to PREPA for overseeing the rebuilding and operation of the grid. All ideas, from privatization to creation of a new federal power marketing administration must be up for discussion. And, whatever road we go down, we must have buy-in from the Puerto Rican people and government.

Thank you. I look forward to hearing from our witnesses today.

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