

**Testimony of Congresswoman Stacey Plaskett (VI)**

**House Appropriations Committee**

**Subcommittee on Homeland Security**

**Hearing: “Members Day”**

**February 26, 2020, 2:30pm, 2008 Rayburn House Office Building**

Chairwoman Roybal-Allard, Ranking Member Fleischmann. Good afternoon and thank you for the opportunity to present a statement of my views for the fiscal year 2021 Homeland Security appropriation bill.

**Recovery issues:**

Two and a half years after Hurricanes Irma and Maria, the progress of recovery in the U.S. Virgin Islands and Puerto Rico has been slow, and the islands remain vulnerable. The Transportation & Infrastructure Committee, which, as you know, has the authorizing jurisdiction over federal emergency management, led a congressional delegation down to the islands last week, where we were briefed by FEMA and toured some of the critical projects.

One of the most pressing outstanding issues is the slow pace of the recovery and the great disparity between what has been promised and what can be spent on recovery. In all of the after-action reports, this is a constant theme. Less than 50% of public assistance projects in the Virgin Islands have been obligated as of our visit last week, and the vast majority of the obligations have been for emergency work projects. As of last month, approximately 35% of what has been obligated has been for permanent infrastructure projects, and less than 25% of what the territory has been able to draw down has been for permanent work.

Some of the challenges we face in the recovery are exacerbated by federal policies, which are within the power of the Congress to change.

Most concerning to me is that FEMA continues to refuse to exercise its statutory discretion, under the Insular Areas Act, to waive the local match for permanent categories of public assistance in response to Hurricanes Irma and Maria, requiring that the Virgin Islands come up with hundreds of millions of dollars that are still being supplied by a federal mandate under the Community Development Block Grant – Disaster Recovery program. FEMA public assistance, on its own, is estimated to cost \$5 billion in the territory, with the 10% match totaling approximately \$500 million. That is over 25% of the money it is being granted in order to make the 10% match. If the 10% cost share is waived, islands could instead redirect those funds to protect the federal investments in reconstructed critical infrastructure to lessen the need for taxpayer funded disaster assistance in the future.

Therefore, I urge a legislative directive for FEMA to exercise the waiver authority it has under the Insular Areas Act on public assistance grants for emergency and permanent work in the Virgin Islands. CBO has informed the Transportation & Infrastructure Committee that such a directive “would not increase net direct spending over the 2020-2029 period.”

FEMA’s treatment of the islands in other areas of our recovery is also of great concern. As you know, traditional public assistance is funded on a reimbursement basis, and local officials in the Virgin Islands have expressed concerns, reported by the GAO, that the territory’s disaster-related financial

condition has made it difficult to provide initial funding to reimburse subrecipients for completed work prior to drawing down funding from the account holding FEMA-obligated funds. While FEMA can currently pay local governments on the basis of invoices before locals have to pay vendors, through the authorities provided under the Cash Management Improvement Act, FEMA is not using this authority to advance funding for recovery projects in the Virgin Islands. Therefore, I ask the subcommittee to direct the agency to do so where reasonable to expedite recovery projects on the islands, given our disaster-related fiscal circumstances.

In addition, while the public assistance alternative procedures program can provide funding for projects up-front, based upon fixed-cost estimates, the development of fixed estimates that accurately forecast the future costs of completing large, complex permanent projects in the Virgin Islands has been very difficult, given unique circumstances that influence construction costs in the territory, such as the limited availability of local resources and the need to import construction materials and labor. Meanwhile, FEMA has imposed a deadline of March 20th to finalize all the fixed-cost estimates for all such projects. As of last month, only five fixed-cost estimates have been finalized, out of hundreds of projects. Given that challenges implementing the public assistance alternative funding program have delayed recovery in the Virgin Islands, I respectfully request that the subcommittee extend the arbitrary fixed-cost estimates deadline by six months.

Furthermore, the additional resiliency assistance provided by the Bipartisan Budget Act of 2018 is not inclusive of critical projects such as transportation infrastructure and public housing. I have sponsored legislation that today

was approved by the Transportation & Infrastructure Committee, H.R. 5756, the Resiliency Enhancement Act of 2020, to make such additional infrastructure eligible to be rebuilt to industry standards under the same authority as schools, hospitals, and utilities, notwithstanding pre-disaster conditions. I would urge the inclusion of its language in your bill.

Visa waiver:

I would like to use the remainder of my time to discuss economic and security needs of my district that are under the subcommittee. The first is the need for an expedited visa program that is currently available to other U.S. territories, which would aid the Virgin Islands in allowing more visitors. Specifically, the Virgin Islands is seeking authority from Congress or administrative authorization from the Department of Homeland Security to extend the special visa waiver program that is currently available to Guam and the Northern Mariana Islands to the Virgin Islands.

This program would better enable the Virgin Islands to compete economically with other islands in the Caribbean community, and will lead to increased tourism, greater opportunities to host international events, and support for our small businesses and medical facilities. For example, the Virgin Islands annually hosts numerous yacht shows and regattas. However, due to the extensive visa process currently in place, participation and attendance is significantly lower in comparison to similar events in other Caribbean islands. With respect to medical facilities, this program would enable easier access to our hospitals for eastern Caribbean residents. It would be reasonably limited in scope to the Caribbean community and other countries approved by the Department of Homeland Security.

Customs and Security Issues:

The Virgin Islands are also faced with unique customs issues as we recover, and we will need additional funding for advance customs clearances and for the costs of collecting customs duties; specifically: at least \$6 million in funding for advance air passenger customs clearance (or “preclearance”); at least \$2.5 million for expanded closed- and open-loop cruise ship customs and immigration clearance; and at least \$8 million for costs of collecting customs duties above 10% of duties collected in the territory.

The islands are also in need of more support through both Customs and Border Protection and the Coast Guard to counter drug and weapons trafficking that runs through our shores. The U.S. Caribbean border has long been exploited by drug trafficking organizations, as both a destination and a transshipment point for illicit drugs shipped to the mainland, which endangers the lives of Americans in the two territories and the continental U.S. Smugglers are becoming more sophisticated and brazen in their efforts.

Lastly, in the area of port security, I ask that funding for the Port Security Grant Program receive at least the same \$100 million as enacted last year; preferably more. While the needs of our ports have grown, funding for the program has not kept pace. In order to see that our ports receive the security resources they need, it is vital that this program be fully funded. I would also request that at least some of these resources to be targeted to communities most in need, such as the island areas of the United States.

Thank you for considering my testimony.