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Bryan Tells U.S. Senate Federal Rules Limit USVI Healthcare, Energy and Economic Development

In his final appearance before the Senate Energy and Natural Resources Committee, Bryan urged Congress to remove federal barriers affecting Medicaid, SSI, tax treatment, the refinery and energy stability in the Virgin Islands.

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As he winds down his second term in office, Governor Albert Bryan Jr. told members of the U.S. Senate Committee on Energy and Natural Resources that the Virgin Islands has stabilized after the 2017 hurricanes and the Covid-19 pandemic, but remains constrained by federal statutory and regulatory frameworks that limit economic development and the delivery of public services.

Testifying in Washington on Wednesday, the governor argued that U.S. Virgin Islands residents continue to face structural challenges despite their status as U.S. citizens. He said Congress must address those disparities if the territory is to compete more fairly and strengthen its role in the region.

“The people of the Virgin Islands are not asking for special treatment,” Governor Bryan said. “We are asking Congress to remove these barriers to guarantee that we have the same opportunities, the same tools, and the same chance to succeed that every American community on the mainland enjoys.”

The governor said modifying or removing certain federal restrictions could improve the territory’s ability to support the country’s maritime presence in the region, while also strengthening energy security and regional commerce.

Healthcare funding was one of the areas Governor Bryan identified as an example of unequal treatment between the Virgin Islands and the states. He noted that nearly a quarter of the territory’s population is over the age of 65, leaving the USVI heavily reliant on federal healthcare programs.

However, he said federal funding limits force the territory to operate under a fixed cap on Medicaid payments, unlike states where allocations expand automatically based on enrollment or economic need.

The governor also pointed to the Tax Equity and Fiscal Responsibility Act reimbursement system, which still governs Virgin Islands hospitals. That system, he said, “has not kept pace with the realities of modern medicine.”

As a result of chronic underfunding of the public healthcare system, Governor Bryan told senators that the territory is “handling at least \$50 to \$60 million in uncompensated care annually, and it’s boring a hole in us.”

Governor Bryan also raised the issue of geographic restrictions on Supplemental Security Income. Under current rules, he said, U.S. citizens who qualify for SSI on the mainland would lose those benefits if they relocate to the Virgin Islands.

“Their citizenship has not changed, their circumstances have not changed, only their address,” Governor Bryan stated. “Only Congress can address these disparities,” he added, urging lawmakers to amend the relevant statutes.

The governor also addressed the idled oil refinery on St. Croix’s south shore, describing it as a historic driver of employment and economic activity in the territory. He attributed the continued shutdown to federal regulation, saying the refinery remains closed “due to the heavy-handed application of environmental rules.”

Governor Bryan also said federal tax rules discourage outside investment in the territory. He cited the Controlled Foreign Corporation tested income regime, saying that “federal tax rules can treat investment in the Virgin Islands much like investment in [a] foreign jurisdiction, discouraging companies from investing in an American community.”

He also told senators that “even though our taxes are controlled by the U.S....we are treated disparately by the European Union as we are a blacklisted entity.”

Energy was another major point of the governor's testimony. Governor Bryan updated the committee on the territory's shift toward renewable energy and said that "By the end of the year, over 50% of our grid will be renewable."

Despite recent grid failures, he asserted that power disruptions in the territory "are becoming less and less." Still, Governor Bryan said federal technical and financial support remains necessary to stabilize power generation, transmission and distribution in the Virgin Islands.

In what he described as his final address before the Senate Committee on Energy and Natural Resources, Governor Bryan thanked Congress for federal support provided to the territory, particularly under the Bipartisan Budget Act.

He closed by again urging Congress to establish statutory parity between U.S. citizens living on the mainland and those residing in the Virgin Islands.

"All we need now is to get the same treatment as everybody else," Governor Bryan said.