

The Virgin Islands Consortium

Letter To The Editor | Addressing The Looming Cost Of Rebuilding

Opinion / **Published On October 16, 2017 07:23 PM /**

Ernice Gilbert **October 16, 2017**



To the Editor:

Battered and bruised our communities have moved past back-to-back natural disasters and now face the rebuilding effort. Those we have lost, whether as a direct result of the storm or from stresses and events in the weeks following, are missed.

The quality of the decisions we individually and collectively make in the coming months will establish the trajectory of our recovery, our regional competitiveness and global relevance for the foreseeable future.

Physically rebuilding our community is one of the important tasks ahead. Critically important is how we go about that rebuilding effort. A good starting point is an accurate accounting of what was lost and what resources are available to assist.

The local press reports estimates of infrastructure and economic loss exceeding \$5 billion dollars. This is no small amount. If accurate it suggests that Irma and Maria, in a period of little more than 48 hours destroyed 584 days of economic productivity.

On October 12, the US House of Representatives passed a \$36.5 billion relief bill that provides hurricane and wildlife funding. The bill now goes to the US Senate for consideration.

The new measure authorizes \$4.9 billion in loans to Puerto Rico and the Virgin Islands. Both communities are already debt-beleaguered and this approach to assistance further exacerbates local financial problems. Governor Kenneth Mapp has requested \$5.5 billion of disaster relief.

The new legislation provides \$18.7 billion for FEMA's disaster relief fund from which the VI will receive some benefit. The National Flood Insurance Program receives debt forgiveness for \$16 billion it owes to the US Treasury.

The initial efforts at rebuilding our Virgin Islands will be supported by FEMA grants and loans, insurance proceeds, and charitable donations. Funding available from those sources will not address a \$5.5 billion need.

This year was a bumper year for natural disasters stretching from Northern California to the Gulf and Atlantic coasts and the US Caribbean communities. A parsimonious Congress and Administration will undoubtedly step back from doing more than is absolutely essential.

Last week the New York Times reported that the 2017 federal deficit was \$668 billion, \$82 billion more than the previous year. And, the Senate is set to vote on a budget blueprint designed to allow moving a tax bill that could further exacerbate that deficit by as much as \$1.5 trillion over the coming ten years.

Less than six weeks after the destruction of Irma and Maria some prominent national voices are already suggesting there are limits to what the federal government will do to see the recovery through to the level of expectation of affected communities.

Suggestions that a significant local bill for the reconstruction effort will not come due is counter productive to thinking critically about how we go about funding the rebuilding process. It supports a narrative that the destruction caused by Irma and Maria will be the solution to the financial mess we were in prior to the recent hurricanes.

Unfortunately, few outside of government will have much influence on how government goes about rebuilding. Where we, individually, can make a difference is how we go about addressing our own rebuilding efforts.

Recovering from any disaster requires taking stock of what was lost and what needs replacing. What existed has served its purpose. What replaces it must address future need.

Taking time to think about what we want from that replacement is particularly critical. Few of us get to a desired end product accidentally. The end objective must be in focus throughout the planning, decision-making and implementation process. This requires coordination and direction.

Rebuilding communication and power generating systems requires knowing what the end objective is. Each component must contribute its share to the desired end result. The same can be said for rebuilding a public transportation network, service delivery facilities, first responder facilities and services, and the digital technology network critical to enhancing service delivery.

Rebuilding offers the opportunity to introduce innovation; the opportunity to move away from what was to what is more appropriate. Looking slightly afield for solutions employed by others can produce significant return.

Many non-US communities are implementing solutions relevant to the needs of small communities with limited resources.

European cities have succeeded at making public transportation within and between communities responsive and widely subscribed. Public, personal and service vehicles are more appropriately sized to the function they provide the areas served and the terrain navigated.

Asian, African and South American countries are deploying digital technology to build out communication networks avoiding the cost and physical vulnerability of wires and cable. Rural and remote communities receive essential government, educational and health services without the cost inherent to repetitive brick and mortar facilities and staffing.

Hand held devices and digital connectivity facilitate and reduce the cost of information transfer, security monitoring, diagnostic solutions, education and training, and government administrative services. Block chain protocols afford privacy and security.

We in the Virgin Islands are prone to the belief that our situation is unique and that our uniqueness justifies sticking to legacy practices and solutions. When money is readily available, there is limited incentive to change how things are done. Limited financial resources, however, has the positive advantage of promoting thinking outside of the box and finding ways to do what is needed more cost effectively.

Keeping climate change in mind throughout the planning process is a new yet important variable. Hardening infrastructure and facilities reduces the probability of substantial rebuilding subsequent to other natural disasters. Cities worldwide are building smart infrastructure responsive to this reality.

The National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration and the US Geological Survey provide a wealth of data that can be used in the planning process. Initiatives such as the Climate Resilience Toolkit and the US Global Change Research Program translate science findings into predictable consequences. Climate resiliency plans can guide the design of public and private facilities and open spaces, which can mitigate the damage caused by the event itself, the associated financial loss and loss of life,

Finally, managing the rebuilding effort requires an accurate assessment of professional capacity and capability. In the best of times there is limited room for careful planning, contractor selection and diligent monitoring of progress.

In our community even in the best of times substantial losses result from mismanagement. The recently released Inspector General's report on Public Finance Authority operations details some \$150 million of inappropriate practices and oversight.

Overseeing rebuilding in a concentrated time period imposes significant demand and stress on the best of organizations and capability.

The imperative, in a situation similar to what we face, understandably shifts to getting the job done expeditiously. It is, however, in exactly this kind of environment that considerable financial loss is more prone to occur, from those seeking to game the system for their own personal advantage to losses sustained from unintended inefficiencies and mismanagement.

Slowing the process down and implementing temporary fixes until the permanent can be appropriately implemented is important. Engaging competent professional assistance, whether on island or otherwise; eliminating issues of personality; enforcing accountability throughout the delivery chain; and making a commitment to transparency of spending are all essential elements of a successful effort.

Taking time to learn from the successes and errors related to completed projects ensures similar errors are not subsequently made. Accomplishing this requires a structured post mortem review and assessment process. Regardless of the effort expended to avoid mistakes, some will be inevitable. Failing to learn from these to improve on successive efforts is inexcusable.

Submitted on Monday by: Justin Moorhead Managing Director, Virgin Islands Capital Resources, Inc. JImoorhead@gmail.com