The Virgin Islands Consortium

Mapp Says Territory To Receive No Less Than $800 Million Of $4.9 Billion In Loans Approved By Congress For PR And USVI

Disaster Recovery / **Published On October 25, 2017 11:30 AM /**

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The U.S. Senate on Tuesday passed a $36.5 billion hurricane disaster relief bill that makes available $4.9 billion in low-interest Treasury loans to the U.S. Virgin Islands and Puerto Rico. The bill, which was previously approved by the House, was sent to President Donald Trump on Tuesday, who is expected to sign the measure into law.

Government House reacted to the bill's passage late Tuesday, with Governor Kenneth Mapp stating that his administration had been working with officials of the Federal Emergency Management Agency (FEMA) for several weeks on a Community Disaster

Loan, in anticipation of the measure's passage.

In a statement issued to The Consortium following Government House's own release, Mr. Mapp said the territory would not receive less than $800 million in low-interest loans from the $4.9 billion allocated for Puerto Rico and the USVI.

"The $4.9 billion dollars has been set aside for revenue losses for the United States Virgin Islands and Puerto Rico. Of that amount, the Virgin Islands will receive not less than $800 million," Mr. Mapp said. The loans for PR and the USVI are intended to cover disaster-related revenue losses and to avoid disruption of essential public services; it is separate from Mr. Mapp's request of $5.5 billion, which is expected to be addressed by Congress in forthcoming legislation.

The loans will serve as a lifeline for the V.I. government, which has been struggling with liquidity and has been unable to access the bond market since January. Earlier this month, the governor could not even ascertain that payroll would be met. But with hundreds of millions soon to become available through the federal loans, funding government operations and its critical services should be safe in the near-term.

The hurricane disaster relief bill, H.R. 2266, which was passed in the Senate by a voting margin of 82-17, includes $16 billion in debt relief to the National Flood Insurance Program, which FEMA said would run out of money as early as this week without action by Congress. The measure also includes $18.7 billion for FEMA (this includes the $4.9 billion in loans for PR and the USVI). The bulk of the disaster funding will go to Texas and Florida, which were affected by Hurricanes Harvey and Irma respectively. California is also expected to receive $576.5 million for wildfires.

In a letter to Mr. Mapp, U.S. Office of Management Budget (OMB) Director Mick Mulvaney, said that the long-term recovery needs of the Virgin Islands and other affected jurisdictions would be addressed in later spending legislation.

“The swift Congressional action reflects Congress’s recognition of the unprecedented nature and scope of the disaster, as well as Congress’s willingness to assist their fellow Americans at a time of great need," the governor said.

Delegate to Congress Stacey Plaskett also lauded the action, but said the territory would need much more support from the federal government to rebuild after the devastation caused by the two Cat 5 storms.

“I am pleased that the Senate today passed H.R. 2266 which appropriates $36.5 billion for emergency disaster relief, flood insurance assistance, and replenishes the federal firefighting accounts, but far more will be necessary for relief in areas impacted by Hurricanes Irma and Maria," Ms. Plaskett said in a release issued Tuesday. “The catastrophic destruction caused by Hurricanes Irma and Maria demands massive amounts of aid for our territory to address the diverse needs of the survivors who face the daunting task of rebuilding their lives. This $36.5 billion aid package is a second step in relief support."

The $36.5 billion disaster relief loan, which follows at $15.3 billion disaster measure passed in September, brings the total spending on disasters by Congress to $50 billion, even as concerns of more funding will be needed.

Mr. Mapp along with a USVI delegation that he will organize, will visit the nation's capital on November 7 and 8. While there, the governor will make his pitch to Congress on why the territory needs all the assistance it can get. The delegation will also meet with congressional leaders and members of President Donald Trump's cabinet.

Feature Image: Frederiksted Pier after Hurricane Maria. (Credit: Irene Ali Photography.