THE UNITED STATES VIRGIN ISLANDS

OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE

Charlotte Amalie, V.I. 00802
340-774-0001

May 27, 2015

The Honorable Joe Manchin III
306 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Senator Manchin:

On behalf of the Government of the U.S. Virgin Islands, I wish to thank you for the support for the U.S. Virgin Islands that you have demonstrated in the past. I am writing to request your support, as a member of the Member of the Committee on Energy and Natural Resources, which has jurisdiction over insular areas, for fair and equitable highway program funding for the U.S. Virgin Islands in the surface transportation reauthorization bill being developed by the Committee on Environment and Public Works. The surface transportation funding for the Virgin Islands and the other small territories is small in comparison to the overall cost of highway bills, and increased funding is critical to public safety and maintaining and growing the economy of the Virgin Islands. For reasons not adequately explained, highway funding for the territories has been significantly cut in recent years while funding for other jurisdictions has not been cut. On behalf of the people of the Virgin Islands, I am asking for an increased allocation of at least $75 million per annum. This is a paltry sum, but an amount necessary to provide some semblance of real road construction.

The Virgin Islands has been hit hard by the nearly six years of substantially reduced federal highway funding following the expiration of the "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users" ("SAFETEA-LU"). These funding cuts have resulted in the deterioration of our substandard public highway system and the system's ability to handle the influx of millions of visitors who visit our islands every year while enabling economic development. The cuts in funding have also exacerbated the financial condition of the Territory, which is still reeling from the economic damage caused by the closure of the HOVENSA refinery, which had been the Territory's largest private employer and the mainstay of the St. Croix economy for the last half century. In early 2012, the refinery shut down, throwing almost 3,000 persons out of work, causing over a hundred million dollars in annual tax revenue losses, and hundreds of millions more in lost economic activity. The impact was immediate and felt Territory-wide, but the brunt of the economic devastation has centered on St. Croix, where local businesses have closed, opportunities for employment have dried up, and families have been forced to relocate.

While dealing with these severe economic shocks, the Virgin Islands also needs to prepare for an influx of American and foreign dignitaries and other visitors who plan to travel to the Territory in 2017 to help celebrate the Centennial of the United States' acquisition Virgin Islands from Denmark in 1917. The pride of the Territory, and the nation's pride in showcasing the results of 100 years of American rule, are at risk if the transportation infrastructure that greets and services our citizens and visitors does not significantly improve starting this year. To achieve our goals, I respectfully request that the highway bill make available for the Virgin Islands highway funding for each of the next five years an amount equal to one-half of the allocation for the state with the smallest allocation under the current MAP-21 extension, but not less than $75 million annually, *i.e.* one-half of the annual apportionment of $136 million to the District of Columbia, or $75 million/year. The Government of the Virgin Islands will use that entire amount for new construction of roadways and associated infrastructure improvements that meet current federal standards, which would represent a major improvement. In the past we have only focused our efforts on repairing and resurfacing substandard roads and highways. Once the Territory's highway infrastructure has been rebuilt, the Territory would return to the traditional funding levels under the Territorial Highway Program to ensure the maintenance and upgrading of the system.

The current state of disrepair is, in large part, the result of severe underfunding of the Territorial Highway Program, including $123 million in funding cuts over the past six years. In the final years of SAFETEA-LU, Congress allocated $50 million/year to the four small Territories under the Territorial Highway Program. (The Virgin Islands receives 40 percent of the funding for the Territorial Highway Program.) The Territories collectively also received $70 million in High Priority Project ("HPP") funding under SAFETEA-LU, or $14 million/year, for a total of $64 million/year. The Territories receive no funding under other federal highway programs.

In the extensions of SAFETEA-LU, and then in MAP-21, the Territories were singled out for funding cuts. Specifically, in the SAFETEA-LU extensions for FYs 2010-2012, the Territories had their HPP funding levels cut from $14 million/year to zero, while all states continued to receive their full HPP funding. Then, in MAP-21, the Territories were singled out for a further 20% funding cut (to $40 million/year). The Territories also did not receive the 4% inflation increase that states received (which would have been $3 million/year). All of these cuts have continued under the current extension of MAP-21. As a result, the Territories have fallen further behind other jurisdictions in federal highway funding, despite substantial pressing transportation funding needs. If the Territories' SAFETEA-LU funding levels had been maintained, and increased by the 4% inflation adjustment, as they have been for states, the Territories would be receiving $67 million/year rather than the $40 million actually received. These funding cuts total *$123 million* for the period FY 2010 through FY 2015.

In addition, we request that Congress clarify, or if necessary specifically provide, that the Territories are eligible to compete for credit assistance under the TIFIA program and funding under the Projects of National & Regional Significance program, and that the exception for Territories from non-federal match requirements under 23 U.S.C. § 120(g) applies to projects under the programs. Further, we request a statutory amendment that would set aside for the four small Territories a specified percentage of discretionary funding under the TIGER grant program (*e.g.*, 5%), similar to set-asides in other federal government programs.

Thank you for your consideration of this request.

Very truly yours,

Kenneth Mapp
Governor

cc: The Honorable Stacey E. Plaskett, Delegate to Congress