



## Congress of the United States

House of Representatives

Washington, DC 20515

November 30, 2018

The Honorable Steven T. Mnuchin  
Secretary  
U.S. Department of the Treasury  
Washington, DC 20220-0001

Dear Secretary Mnuchin:

We write with concerns that the financial condition of the U.S. Virgin Islands and Puerto Rico along with U.S. procurement and payment regulations are inhibiting critical and important reconstruction work from being completed in these territories.

As you are aware, these territories suffered vast devastation from hurricanes in 2017 and they now require significant human capital and materials to rebuild and restore their infrastructure to best serve these communities. The process for contracting and paying for this work is the territory pays the contract and then submits a reimbursement claim to the funding agency, i.e., the Federal Emergency Management Agency (FEMA) or the U.S. Department of Housing and Urban Development.

We have been advised by our constituents, however, that these territories do not have the cashflow to finance the labor and materials necessary to complete these important infrastructure projects. In the case of the Virgin Islands, we understand that they have only two days of cashflow on hand, an inadequate supply for the restoration process.

To this end, our constituents, the businesses experienced in emergency response and reconstruction that have brought U.S. contractors to the territories to work on these projects, are not getting paid.

The lack of funding has caused a significant slowdown in the amount of work and restoration being completed, which certainly was not the intent of Congress when we appropriated funds to rebuild and restore these territories. As such, we respectfully submit the following question for your consideration, the answers to which will aid us in helping find a solution to this reimbursement issue.

- 1) Is there a regulatory waiver or change that could aid contractor work in the U.S. Virgin Islands and Puerto Rico?

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- 2) Could the U.S. Treasury fund the labor and materials on a line of credit to the territories, allowing immediate reimbursement by the government agencies that have the Congressional appropriated funds (i.e., FEMA and HUD)?

We remain concerned about the speed of aid to the Virgin Islands and Puerto Rico in the face of unimaginable destruction and the already precarious territorial financial strength, as these citizens deserve to see the implementation of funding supplied by Congress for their betterment.

Thank you for your attention to this matter, and we look forward to finding ways to ameliorate this frustrating situation. Please respond by the end of the year. Our contacts for this enquiry is Ashley Gunn, who may be reached at [Ashley.Gunn@mail.house.gov](mailto:Ashley.Gunn@mail.house.gov) and John Hair, who may be reached at [john.hair@mail.house.gov](mailto:john.hair@mail.house.gov). Please don't hesitate to reach out with any questions.

Sincerely,



French Hill  
Member of Congress



Sean Duffy  
Member of Congress

CC: The Honorable Ben Carson, Secretary, U.S. Department of Housing and Urban Development  
The Honorable Rob Bishop, Chairman, House Committee on Natural Resources  
The Honorable Jeb Hensarling, Chairman, House Financial Services Committee  
The Honorable Brock Long, Administrator, Federal Emergency Management Agency