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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-5500**

Opening Statement of  
The Hon. Donna M. Christensen  
on S. 1237

Senate Energy and Natural Resources Committee

July 11, 2013

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I want to begin by thanking you Chairman Wyden and Ranking Member Murkowski for the friendship you have shown to the residents of the Insular Areas and their representatives in the House with the introduction of S. 274 and the scheduling of this hearing today. My Colleagues and I deeply appreciate the effort and time you and your staff put into making both, the Omnibus Territories bill and this hearing a reality.

Mr. Chairman, I am pleased that S. 1237 includes five provisions that originated in bills I introduced in this and previous Congresses. The first and third provisions of the bill, Sections 6 and 9, were included in legislation I sponsored last December to address a crisis in the cost of electricity facing my constituents. The current average cost for residential customers in the Virgin Islands is 50.8 cents per kilo watt hour and 54.8 cents for commercial customers. These high costs threaten Virgin Islands families at all income levels but especially low income. It also adversely impacting businesses causing closures and downsizing.

Section 6 is intended to look for long term sustainable solutions to the problem of high energy cost from fossil fuels for all Insular Areas. Section 9 on the other hand, is intended to provide immediate "short-term" relief to Virgin Islanders over the next 18 months when the local public utility believes it will be able to reduce the cost of electricity by 30%.

Section 10 and 11 of the bill deals with legislation I sponsored to bolster and give a boost to the tourism based economy of my home island of St. Croix.

Section 10 relates to the establishment of Castle Nugent National Historic site. Introduction of this bill continues an effort I began in 2006 to continue the great precedent set by our forefathers when Yellowstone in Wyoming became the first national park. The establishment of the Castle Nugent Historic Site would provide an excellent opportunity to preserve a very special and unique landscape for the people of St. Croix and visitors to the island for generations to come.

If designated, the Castle Nugent Historic Site would become the fourth National Park Service unit on St. Croix. A special resource study authorized in 2006, has determined that the site meets criteria set by the NPS to determine national significance, suitability and feasibility. The bill

calls for the preservation of 2,900 acres which include a Caribbean dry forest, pristine coastal barrier coral reef system and a pre-Columbian and post-European settlement.

In addition to guaranteeing the protection of one of the most ecologically sensitive areas on the island, H.R. 3726 also preserves a rich part of our historical and cultural past, by preserving the archaeological remains of our indigenous Native American inhabitants. The property has a long agricultural history dating back to the 1730s, when the Danish estate house, now listed on the National Register of Historic Places, was constructed.

Section 11 would establish the St. Croix National Heritage Area on St. Croix, U.S. Virgin Islands, which would provide us with a great opportunity to showcase and expose St. Croix to the world. According to a 2009 national research study on U.S. Cultural and Heritage Travel by Mandela Research, 78% of all U.S. leisure travelers participated in cultural and /or heritage activities while traveling. And these travelers spend more, \$994 per trip compared to \$611 for the average traveler.

Additionally, 2011 study by the Advisory Panel for Historic Preservation has also confirmed that tourism is a growth industry worldwide and that there seems to be consistent evidence that heritage tourism is one of the fastest growing segments of that industry. The St. Croix National Heritage Area will play an important role in the revitalization of St. Croix; and its towns and neighborhoods and a key part of strategic economic development planning for the Territory.

Enactment of a National Heritage Area for St. Croix has been a top priority of mine for almost ten years. I am therefore hopeful and encouraged that S. 1274 could be the catalyst to finally make it a reality.

Last but not least, the bill includes my legislation, H.R. 85, to establish a Chief Financial Officer in section 7. I first introduced legislation to create a Chief financial Officer for my district, the U. S. Virgin Islands in 2003. At that time, the then governor was warning of layoffs, payless paydays and reduced services. My financial advisory team was urging a control board, and the Federal government had put our Housing Authority into receivership, the U S Department of Education was preparing to place a fiduciary to oversee and control spending in our local department and the Department of Justice was considering putting other local agencies under receivership. Our Prisons and waste water systems were under consent decree.

Not seeing any concerted effort to reverse or correct the situation, as an elected leader of my community I did not feel I could sit by and do nothing. The Bill to create an independent CFO was my response.

In the 111<sup>th</sup> Congress we revised the bill, removing any authority that would infringe on those of the Governor and his cabinet. This CFO would simply certify the revenue of the Territory. I felt that this was important then and now as the Virgin Islands' legislators, unions and every day

citizens repeatedly question the reports and projections of the Virgin Islands government. At the very least it would confirm the government's projections objectively and independently, and at best the people of the Virgin Islands would have an accurate and trusted source of this information.

Today after the layoffs of approximately 500 government employees, an across the board 8% cut in salaries, a structural deficit and budget shortfalls in FY 2013 yet to be filled with a 2014 unbalanced budget now before the VI Senate; with union negotiations stalled, and uncertainty on the restoration of the 8% cuts, coupled with the closure of our largest private sector employer – the HOVENSA oil refinery – resulting in reduced revenues, I feel that this office is more needed than ever.

No, it will not solve the fiscal problems we are facing. All of us – elected and other leaders have a hard road ahead to meet these challenges, but it will pave the way for us working together to resolve them as we will all trust the numbers and be clear on where we are financially. HR. 85 is based on the CFO in the District of Columbia and that office has served them well over the past 20 or so years.

Many may ask if such an office is needed why then is it not being created locally. There have been several attempts to pass legislation aimed at the same goal of better financial accountability and transparency, but they have not passed. The current administration strongly opposes this bill and would surely veto such local legislation.

Some may feel that passing this bill would represent an imposition of the will of Congress on local authority. I would respond that it is legislation introduced by the representative of the people of the Virgin Islands, and further there are many times that Congress has been and will continue to be called on to act on behalf of the Virgin Islands because we are still governed by an act of Congress - the Revised Organic Act of 1954.

I had expected that the House would have completed action on H.R. 85 and sent it to you for further consideration as we have done on four previous occasions but that will not occur until later this month.

In closing Mr. Chairman and Ranking Member, I would like to request your consideration for adding two more of my bills as S. 1237 moves forward.

The first bill is H.R. 374 which seeks to create an innovative pilot program to leverage private pension assets to raise revenues for both the federal treasury and investment in the Virgin Islands. It would creatively address the chronic underfunding of infrastructure needs in the Virgin Islands through a dedicated source of revenue that would enable the territory to build a modern infrastructure that would move the islands toward self-sufficiency and reduce unemployment. These investments would substantially mitigate the federal government's cost

for rebuilding after tropical storms and hurricanes. The Joint Committee on Taxation estimated that the bill would raise \$477 million over 10 years to the U.S. Treasury; however, with the full implementation of the Roth income cap removal, it is now likely to raise approximately \$500 million a year.

The second bill, H.R. 79, would address a problem with the Affordable Care Act which included a significant increase in the federal medical assistance percentage (FMAP) for the territories but kept or match at a rate which prevents us from accessing the increased funding. H.R. 79 would amend the law to tie the FMAP for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa, beginning in FY2014, to the highest FMAP applicable to any of the 50 states. This legislation does not have a cost associated with it because it just shifts the existing pool of resources that already are available.

Thank you once again Chairman Wyden and Ranking Member Murkowski for scheduling this hearing today. This concludes my oral remarks. I look forward to answering any questions you may have.