

SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
ASSESSING THE TRANSPORTATION NEEDS OF TRIBES, FEDERAL
LAND MANAGEMENT AGENCIES, AND U.S. TERRITORIES



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Good morning Chair Norton, Ranking Member Davis, Chair DeFazio, Ranking Member Graves, members of the subcommittee and other distinguished panel testifiers. I am Nelson Petty Jr., Commissioner of the United States Virgin Islands Department of Public Works. It is an honor to be here today to testify on behalf of U.S. territories.

The territories are challenged because of our distance from the mainland. Resources such as aggregates for concrete and asphalt are limited and, in many instances, monopolized. Every major component in infrastructure development projects almost always must be shipped in, adding to project cost and time. For this reason, two years ago in August of 2018, the territories met for the first time as a group at the US Territorial Peer Exchange (USTPE) in Lakewood, Colorado. This week-long event was sponsored by the Federal Highway Administration.

Those working sessions allowed the territories to share best practices and to learn of similar difficulties in managing our infrastructures.

In the USVI, our ports are the gateway to our economy. Several billion dollars worth of commercial activity pass through our ports on an annual basis. In fact, the Caribbean ranks only behind Canada, Mexico, China, Japan and the U.K., in U.S. Export Partners. The USVI is the first stop for much of the cargo that ends up in much of the lower Caribbean islands. This also applies for vacationers looking to visit other islands in the region.

Knowing this, we have developed and executed a Transportation Master Plan that attempts to address the territory's transportation needs.

The Virgin Islands Department of Public Works and the U.S. Federal Highway Administration (FHWA) partnered to prepare the 2040 USVI Comprehensive Transportation Master Plan (CTMP), the first long-range transportation plan for our territory. The purpose of the plan is to present a strategy to improve transportation infrastructure throughout the USVI through the year 2040. A vision statement was adopted early in the planning process to serve as the foundation of this plan. The vision was simply stated: An integrated transportation system which serves the needs of the USVI community.

The Virgin Islands Port Authority is actively engaged in port expansion projects. Among them is the dredging of the inner Charlotte Amalie Harbor to allow for the larger, Oasis-class cruise liners to continue to visit our ports. Another major project is the expansion of the Crown Bay cargo terminal, which seeks to increase the USVI's position as a regional and international trans-shipment hub.

It has been proven across the globe that when infrastructure investments are made on the governmental side, private investments are sure to follow. Moreover, infrastructure investment leads to employment opportunities and is a beneficial tool for socioeconomic stabilization.

Mass transit provides one example where a substantial federal investment could provide spillover effects. Public transportation serves as a lifeline for many of our low-income residents who do not have access to their own means of transport. There is evidence that mass transit can reduce traffic congestion, while highway capacity expansions provide only temporary relief to congestion.

We are in the process of conducting a 5 year review to evaluate our progress thus far, as well as to determine if any changes to the plan may be necessary taking into consideration the impacts of recent disasters.

Following the passing of the two category 5 Hurricanes of 2017, Irma and Maria, as Commissioner of Department of Public Works, I promulgated a new rule that stated that all local roads should be rebuilt to federal standards. FEMA eventually agreed with this and has adopted those federal standards as the basis for the rebuild of our local, non-federal roads. The importance of this action cannot be overstated. It was clear after the storms' passing that roads built to those standards received minimal to no damage.

As such, resiliency plays into every aspect of our rebuild. Our traffic signals are rated for stronger winds and have sturdier foundations, we are reconstructing our roads from the subbase level - not just surface treatment, and we are adding technology to how we process and maintain our infrastructure all in alignment with our 2040 plan.

We have a unique opportunity with the profusion of recovery projects to be able to rebuild and transform our infrastructure. Our plan leverages the recovery dollars to rebuild and upgrade and seeks to utilize the FHWA funding to implement a pavement preservation program to ensure that those dollars aren't squandered. The program utilizes technology as a tool to conduct condition assessments that allow for real time data on our infrastructure. This will lead to better decision making not only for the department, but for our leaders as well.

Our local legislative branch is also working along with us to develop One Dig legislation to ensure that all underground facility operators are given the opportunity to participate in upcoming projects and are included in project planning and development phases.

While I have focused much of the discussion on our road funding, it should be noted that we are also very much engaged in ferry boat operations, which is also critical to our inter-island commerce. We are in the final stages of the development of a comprehensive ferry boat program. This program will allow us to apply for ferry boat discretionary funds available to states and territories with established ferry boat programs.

The USVI depends heavily on its ferry system for daily commuters, delivering goods and equipment, as well as our tourism product. This is an additional burden as it costs more to maintain transportation infrastructure in a community that depends on a ferry system.

The territories will meet collectively again in July of this year to continue our partnership with the goal and objective to speak with one voice to our elected officials.

In 1998, \$14.56 million was allocated to the USVI. In 2019, we received \$16.8 million in FHWA Highway funds.

YEARS	SOURCE	ANNUAL ALLOCATION AMOUNT
1998	TEA-21	\$14,560,000
2019	FAST	\$16,800,000
21		\$2,240,000

Over the last 20 years the increase in annual allocations to the USVI has not kept pace with the increase in road construction costs.

The significant shortfalls have limited our ability to perform necessary work on the federal road system in the USVI, and as a result, we have had to borrow \$100 million through GARVEE Bonds in order to repair our most critical roads. The GARVEE Bonds are repaid using our annual allocations, which further reduces the funds available to carry out the authorized projects and activities.

We have estimated that the USVI annual allocations should increase to \$35 million to carry out this work. If this increase in funding was given on a short-term basis, even that would be a desirable improvement over our current situation. At the current levels, it will be extremely difficult to implement a successful preventative maintenance program, which is how every transportation office wants to be able to manage their infrastructure. We believe we have laid the groundwork; the missing piece is the funding.

Current annual allocations from the Territorial Highway Program:

TERRITORY	MILES OF FAS ROAD	%ALLOCATION	\$ALLOCATION
American Samoa	80	10%	\$4,200,000
Guam	171	40%	\$16,800,000
Virgin Islands	320	40%	\$16,800,000
Northern Mariana	129	10%	\$4,200,000
		Total THP Funds	\$42,000,000

We are authorized by our Stewardship Agreement to perform “engineering and economic surveys and investigations for the planning and financing of future highway programs”. This is exactly why we are petitioning Congress. The state of our territories’ infrastructures is dire. We do not have enough funding to maintain and improve our territorial highway systems.

Without the requested funding, our infrastructures will continue to deteriorate leaving residents and visitors without a safe and reliable transportation system. The territories rely on our transportation systems to prosper. Most of our goods arrive via cargo ship at our ports and are distributed to our businesses on our roads. Without this funding, our crumbling transportation system will continue to be the direct contributor of accidents, injuries, damage to vehicles and even fatalities.

We will not be able to have decent highway systems in the future if we do not plan to continue increasing annual allocations to match increases in cost of living.

Our ports and roads are the gateway to a thriving USVI island economy. A thriving USVI economy means less pressure on our health care system, our pension system, and other social services - meaning, ultimately, less is asked of our fellow US taxpayers and citizens to sustain our territory for the future.

Thank you for the opportunity.