



FEMA

February 27, 2018

MEMORANDUM FOR: The Honorable Neomi Rao
Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget

THROUGH: Dr. John Zangardi
Chief Information Officer
Department of Homeland Security *John Zangardi*

FROM: Tracey L. Showman
Chief Administrative Officer
Federal Emergency Management Agency *Tracey L. Showman*

SUBJECT: Emergency Approval for OMB Collection 1660-0083 Application for
Community Disaster Loan Program for the U.S. Virgin Islands

The Federal Emergency Management Agency (FEMA) seeks emergency approval for the revision of OMB Collection 1660-0083, Application for Community Disaster Loan (CDL) Program, for the U.S. Virgin Islands. As discussed below, it is vital this collection be revised and implemented by February 27, 2018. In accordance with the Paperwork Reduction Act (PRA) and the Office of Management and Budget's (OMB) implementing regulations in 5 C.F.R. § 1320.13: (1) this information is essential to the mission of the agency; (2) this information is necessary prior to the expiration of time periods established under the PRA; (3) public harm is reasonably likely to result if normal clearance procedures are followed; and (4) an unanticipated event has occurred.

1. Information is Essential to the Mission of the Agency

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288) (the Stafford Act), as amended, is the legal basis for the Federal Emergency Management Agency (FEMA) to provide CDLs to local governments in the event of a federally declared disaster. The President signed the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017, Pub. L. No. 115-72, which provided \$4,900,000,000 to be appropriated from the Disaster Relief Fund (DRF) to the Disaster Assistance Direct Loan Program (DADLP), for the specific purposes of CDLs as authorized under section 417 of the Stafford Act. The CDLs are issued for the purpose of assisting local governments in providing essential services as a result of Hurricanes Harvey, Irma, or Maria. Congress specifically authorized a territory or possession, instrumentalities and local governments of the territory or possession, to be eligible applicants, which includes the U.S. Virgin Islands. In addition, FEMA can provide multiple loans that may exceed the traditional \$5 million cap. Finally, the law requires FEMA

Emergency Approval for OMB Collection 1660-0083 Application for Community Disaster Loan Program for the U.S. Virgin Islands

Page 2

February 27, 2018

to consult with the Secretary of the Treasury to determine the CDL's terms and conditions, eligible uses, and timing and amount of Federal disbursements of CDLs issued to the U.S. Virgin Islands, its instrumentalities, and local governments thereof.

OMB Collection 1660-0083, Application for Community Disaster Loan (CDL) Program for the U.S. Virgin Islands, covers forms that are used to collect pertinent information to complete a CDL application package after having suffered substantial loss of tax and other revenues as a result of Hurricanes Irma and Maria.

The Emergency Approval for these CDL forms is necessary to implement the CDL program and for this territory to determine eligibility. These CDL forms are specific to USVI as they include the detailed description of the terms and conditions for the USVI Water & Power Authority. Without the approval of these forms, the loan agreements cannot be completed and the funds cannot be allocated.

2. The Information is Needed Prior to Expiration of Time Periods Established under the PRA

The approval of this information collection is needed prior to the expiration of the time periods established under the PRA because FEMA cannot provide CDLs to the U.S. Virgin Islands, or its instrumentalities, without approval of this information collection. Specifically, the forms that a CDL applicant uses to provide information are necessary for FEMA to determine whether the applicant is eligible for CDL assistance. In addition, President Trump signed two major disaster declarations for the U.S. Virgin Islands on September 7, 2017 for Hurricane Irma (DR-4335) and September 20, 2017 for Hurricane Maria (DR-4340).

The U.S. Virgin Islands Water & Power Authority is in urgent need of financial assistance. Based on the two major disasters and the requirements placed on FEMA through the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017, along with the CDL regulations, FEMA cannot comply with the regular 30 and 60-day notice requirement established under the PRA and provide timely urgent financial assistance to the U.S. Virgin Islands Water & Power Authority.

3. Public Harm is Reasonably Likely to Result if Normal Clearance Procedures are Followed

Public harm is reasonably likely to result if normal clearance procedures are followed because it may lead to delays in the U.S. Virgin Islands Water & Power Authority's ability to obtain funding to pay its government bills, hire staff and vendors to supply goods and services, and perform essential governmental functions. The territory needs to complete these CDL application forms immediately in order to obtain loan approval.

4. An Unanticipated Event has Occurred

Hurricane Irma was the second Category 5 hurricane to affect the U.S. Virgin Islands since 1928, followed only two weeks later by Hurricane Maria, another Category 5 hurricane. Irma was the most intense Atlantic hurricane to strike the U.S. since Katrina in 2005. Irma's effect in the U.S. Virgin Islands was most profound on Saint John and Saint Thomas, where at least 12 inches of rain fell. The Saint Thomas Island suffered widespread structural damage, including damage to its police station

February 27, 2018

and airport. Patients from the third and fourth floors of Charlotte Amalie's hospital had to be relocated to lower floors due to flooding from roof leaks.

Hurricane Maria further devastated the U.S. Virgin Islands. Maria achieved its peak intensity over the eastern Caribbean with maximum sustained winds of 175 mph, making it the tenth-most intense Atlantic hurricane on record. Maria's outer eyewall was reported by the National Hurricane Center to have crossed Saint Croix while the hurricane was at Category 5 intensity. The hurricane caused extensive and severe damage to the island. Sustained winds at the Sandy Point National Wildlife Refuge reached 99 mph to 104 mph and gusted to 137 mph. As a result, President Trump signed two major disaster declarations for the U.S. Virgin Islands. Without this emergency approval, FEMA will not be able to collect information from the U.S. Virgin Islands or its instrumentalities who are impacted by the unanticipated category 5 hurricanes.

5. Conclusion

FEMA is requesting an emergency approval of this request so that it can accept CDL applications for the U.S. Virgin Islands and its instrumentalities. Following the normal clearance procedures for approval of the revision for this information collection would delay FEMA's ability to comply with the requirements of the law and its overall mission. As discussed, FEMA certifies that the requirements of 5 CFR 1320.13(a) are met and it is vital this issuance be implemented by February 27, 2018, because: (1) this information is essential to the mission of the agency, (2) this information is necessary prior to the expiration of time periods established under the PRA, (3) public harm is reasonably likely to result if normal clearance procedures are followed, and (4) an unanticipated event has occurred.

Thank you for your consideration.