Good morning Chairman Manchin, Ranking Member Barrasso, and members of the Committee:

On behalf of the people of the U.S. Virgin Islands, I thank you for the opportunity to appear today to discuss the state of our Territory and its priorities for 2022. I am Albert Bryan Jr., Governor of the United States Virgin Islands. Chairman Manchin, you have been a stalwart friend to the Virgin Islands since you were a Governor yourself and initiated a unique West Virginia-Virgin Islands collaboration on Medicaid issues. We have tremendous confidence in your leadership of this Committee. I would also like to offer special thanks to Senator Murkowski, who has given us so much help and encouragement over the years.

More broadly, I thank all the Committee’s members for your support in our efforts to mitigate the effects of the COVID-19 pandemic, which struck and paralyzed our tourism economy just as it was emerging from the catastrophic hurricanes that struck in September 2017. With the help of Congress and this Committee, we have endured the worst of the pandemic, and our tourism sector—nearly one-third of our economy—is thriving again. Our revenues are up and our debt burden is down. We are laying the foundation for a stable, sustainable prosperity for the people of the Virgin Islands.
But there is still much work to be done. Even before the pandemic and the hurricanes, the Virgin Islands faced unique challenges not encountered on the mainland. Some are the result of factors beyond the control of the federal government, such as geographic distance and isolation, lack of natural resources, and the need to replicate infrastructure and services across three separate islands. But some challenges we face result from federal policies, which are within the power of Congress to change. I will focus my comments today on the more pressing issues we face and how Congress can assist us in addressing them.

My written statement addresses several specific needs and policy issues in detail. In my short time before you today, I want to focus on a broader principle: that the United States Virgin Islands is an integral part of the United States of America. Its people are American citizens, entitled to the same rights, privileges, and benefits as American citizens who reside in Alaska or West Virginia or Wyoming. As President Biden said last year, “there can be no second-class citizens in the United States of America.”

I ask you to be guided by this principle when you legislate for the Virgin Islands and the other Territories. For too long, the Americans living in the Insular Areas have been treated as foreign, as “other”—as something less than American citizens living on American soil. To cite just a few examples: a disabled American who lives in a State is entitled to receive Supplemental Security Income. If she moves to the Virgin Islands, she loses it. Medicaid funding for the Territories has for decades systematically lagged funding for the poorest States. And under the tax laws, investments made by U.S. investors in the Virgin Islands are treated as investments in a foreign country. This means that tax rules designed to
disincentivize American investments in foreign tax havens like the Cayman Islands apply equally to investments in the American Territories.

I ask this Committee today to change that. Even if the Constitution permits the federal government to treat American citizens living on American land unequally simply because that land is a territory, there is no question that Congress has the authority, and I would argue the moral obligation, to treat all Americans the same. Citizenship is not geographic.

With that principle in mind, let me speak briefly about specific challenges our Territory continues to face.

First, although our economy is recovering, we continue to cope with financial challenges that began with the hurricanes and were exacerbated by the pandemic. Significant amounts of appropriated disaster funds remain inaccessible to the Territory because of unrealistic local match requirements. By statute, Congress permits agencies to “waive any requirement for matching funds otherwise required by law to be provided” to a Territory. In practice, however, that authority is rarely used. I respectfully urge the Committee to amend 48 U.S.C. 1469a to require agencies to exercise that authority.

Second, federal tax policy has imposed significant constraints on our ability attract badly needed private investment. The tax code treats U.S. investments in its own Territories as foreign investments, making them subject to so-called GILTI tax, which is designed to discourage American companies from stashing profits in
foreign tax havens like the Cayman Islands. The U.S. Virgin Islands is neither foreign nor a tax haven: it is U.S. territory whose tax laws are promulgated by Congress. Treating us like a foreign country makes no sense, and is contrary to decades of Congressional policies intended to encourage U.S. investment in the Territories. I respectfully ask for your support in reversing this inequitable treatment.

Third, the economic problems resulting from the hurricanes and COVID have now been further aggravated by the Environmental Protection Agency’s decision last May to shut down the Limetree Bay oil refinery, costing us 800 jobs and $633 million in reduced GDP. We all share the EPA’s concern with safety. But it is not clear that the EPA understands the unique importance of the refinery to the economic, financial, and social well-being of the Virgin Islands community. Environmental justice is a hollow victory without economic opportunity. I therefore ask for Congress’s assistance in working with the Territory and EPA to ensure that the refinery is permitted to responsibly and safely reopen as soon as possible.

Fourth, we are urgently seeking restoration of adequate funding for the Territory’s highways. That funding was cut to the bone in 2012 and has never been fully restored, with predictably deleterious effects on our roads—yet another example of Americans receiving poorer treatment simply because of where in the

1 A report by the accounting firm EY, attached to this statement as Appendix II, sets forth the economic consequences of the GILTI regime for Virgin Islands investment.
United States they live. Singling out the four small Territories for funding cuts was unfair, and ignored their uniquely pressing transportation funding needs. I respectfully ask the Committee to support a restoration of our highway funding to the levels we received prior to 2012.

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My written statement describes additional issues of importance, including effecting a permanent fix to the Medicaid “fiscal cliff” that will occur in February; permanently restoring the cover over rate for the rum excise taxes that are so important to our economy; and extending Supplemental Security Income to residents of the Virgin Islands and the other Territories who are currently denied those important benefits simply because of where they live.

In closing, I wish to say: I am an American, just as you are. My constituents are Americans, just as your constituents are. They should receive the same consideration and the same treatment from Congress and the rest of the federal Government that their fellow citizens on the mainland do. I urge you to move beyond the days when it was acceptable, and even expected, that the Americans I serve would be treated differently than the Americans you serve. There is so much that we can do together to improve the lives of the people of the Virgin Islands and the other Territories, to bring us up to the level of our fellow citizens on the mainland. All we ask is your gracious assistance.

Thank you for considering this testimony and for your support of your fellow Americans in the U.S. Virgin Islands.