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TESTIMONY BEFORE THE COMMITTEE ON ECONOMIC DEVELOPMENT, PLANNING AND AGRICULTURE:

Good Morning Chairwoman Millin Young and members of the Committee on Economic Development, Planning and Agriculture. Thank you for the invitation to offer testimony on the impact that normalization of U.S. relations with Cuba will have on the Virgin Islands economy.

Madam Chair, I believe you have well captured the major change that the normalization will bring about in the region, a sense of urgency and the need for strategic planning in your press release announcing this hearing.

I especially would underscore the need to improve all of our infrastructure and the tourism products each Island offers. Including in improving our tourism product, I would urge upgrading our two airports which do not measure up to many of those in our neighboring islands.

I am also sure that the invited experts in the various fields will testify on specific areas in their field of expertise. Therefore I would like to just add some general observations and areas that I think might offer potential opportunity.

First of all, while we have looked at this "disruption" as being far enough in the future to give us time for planning, the speed with which the administration is rolling out new regulations should disabuse us of this assumption.

Second, while tourism, as the mainstay of our economy, must be given major consideration, we must not overlook the possible impact on our rum industry and thus what has been reliable and depended-on cover-over revenue..

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In addition, while we offer the stability of being a U.S. Jurisdiction and companies may be cautiously reluctant for the moment, Cuba's emergence as a new place to invest and maximize profits could have a dramatic impact on our EDA Program and the Research and Technology Park. Because of the importance of the revenue and jobs we rely on from them, improving the investment environment also requires our consideration.

Further, we must be the last place to visit Cuba to better assess the potential impact and explore possible advantages that may and probably are available to us. This should be undertaken post haste.

In looking for opportunities I would point to the following:

Most importantly we are a part of the United States of America. As the most recent regulatory amendments were rolled out, Treasury Secretary Lew pointed out that:

"A stronger, more open U.S.-Cuba relationship has the potential to create economic opportunities for both Americans and Cubans alike."

We must aggressively move to ensure that we are included as our country uses this opportunity to provide economic opportunity for Americans and prepare ourselves to take advantage of what may be a short window of opportunity.

In the area of tourism: many of the European and Canadian tourists have been visiting Cuba for years. As they may initially be crowded out by curious American tourists, I suggest we increase our marketing to these tourists who have not traditionally been ours. The St Croix airport is already able to accommodate travel which may utilize larger aircraft.

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On investment: We have assets that neither Cuba and many other places do not: our broadband, the Jones Act waivers, and the security of being under the American flag just to name three. (hopefully access to affordable fuel will be added)

While we improve, streamline and speed up our business processes we need to utilize, maximize and effectively market these and other assets to improve our competitiveness.

Lastly, we must not lose sight of our talented, resourceful small businesses and potential small businesses. Improving access to capital, and marketing and exporting capability is key to a sustainable economy for our islands regardless of whatever happens outside of our shores and our control.

I commend the Legislature of the Virgin Islands, this Committee and you, Madame Chairwoman for calling this hearing and for your efforts to stimulate our economic recovery.

Thank you again for the opportunity to testify.

Respectfully Submitted,



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