The Honorable William B. Long  
Administrator  
Federal Emergency Management Agency  
500 C Street, S.W.  
Washington, DC 20472

Dear Administrator Long:

Pursuant to Rules X and XI of the U.S. House of Representatives, the Committee on Energy and Commerce is conducting oversight of the United States’ response and recovery efforts related to the devastating hurricanes that impacted U.S. states and territories this year. Recent reports have raised questions about the Federal Emergency Management Agency’s (FEMA) role relating to contracts issued by the Puerto Rico Electric Power Authority (PREPA) to rebuild Puerto Rico’s electrical grid.¹

Last week, FEMA issued a statement indicating “FEMA was not involved in the selection” process that awarded the contract to rebuild Puerto Rico’s electrical grid to Whitefish Energy and that “any language in any contract between PREPA and Whitefish that states FEMA approved the contract is inaccurate.”² Additionally, FEMA “has significant concerns with how PREPA procured this contract and has not confirmed whether the contract prices are reasonable” and has reportedly now engaged with PREPA to obtain information about the contract.³

Based on FEMA’s statement, it would appear that the Agency, until now, was not involved in one of the most significant decisions in the effort to rebuild Puerto Rico’s electrical grid. Efforts by the governor of Puerto Rico and PREPA to cancel the contract with Whitefish underscore the need for federal leadership and strategic coordination of the effort to restore Puerto Rico’s electric system.⁴ Additionally, according to media reports, PREPA also entered

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¹ FEMA has ‘significant concerns’ with Puerto Rico’s $300m power deal, The Hill (Oct. 27, 2017).
³ Id.
into a contract with Cobra Acquisitions, LLC to perform restoration work on Puerto Rico’s electrical grid. Similar to the Whitefish contract, this contract also indicates FEMA review and approval and contains language which would appear to have the effect of preventing government oversight of the agreement, raising additional questions about the contracting review process for recovery efforts in Puerto Rico.

Therefore, to assist the Committee with our ongoing oversight of hurricane response and recovery efforts, we request FEMA provide a briefing for the Committee staff no later than November 15, 2017 to explain FEMA’s efforts to date regarding the repair and reconstruction of Puerto Rico’s electrical grid. The briefing should address the following:

1. What guidance or information to date has FEMA provided to the government of Puerto Rico or PREPA regarding coordination of efforts to rebuild the electrical grid? Given current efforts to cancel the contract with Whitefish, what additional guidance or information will FEMA provide going forward?

2. Both the Whitefish and Cobra contracts contain language indicating “PREPA hereby represents and warrants that FEMA has reviewed and approved of this Contract, and confirmed that this Contract is an acceptable form to qualify for funding from FEMA or other U.S. Governmental agencies.” According to FEMA, “any language in any contract between [the Puerto Rico Electric Power Authority] (PREPA) and Whitefish that states FEMA approved that contract is inaccurate.” Please provide a timeline of FEMA’s awareness of and involvement with any and all contracts or activities with PREPA since August 2017. Please also provide background on FEMA’s role in reviewing and/or approving similar contracts after a natural disaster.

3. Given that rebuilding Puerto Rico’s electric grid is fundamental to the island’s response and recovery, what is FEMA’s knowledge of and involvement with any strategic plan for this effort? If there is a plan, does it describe which contractors have been hired and their respective roles in restoring power?

4. What are FEMA’s specific roles and responsibilities relative to the federal government’s effort to assist in the reconstruction of Puerto Rico’s electrical grid? What consultation has occurred between FEMA, the Department of Energy, and other federal agencies, especially related to contracts for grid restoration?

If you have any questions, please contact John Ohly or Lamar Echols of the Majority Committee staff at 202-225-2927 or Jon Monger of the Minority Committee staff at 202-225-3641. Thank you for your attention to this matter.

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Sincerely,

Fred Upton
Chairman
Subcommittee on Energy

Bobby L. Rush
Ranking Member
Subcommittee on Energy

Diana DeGette
Ranking Member
Subcommittee on Oversight and Investigations