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WEATHERING THE STORM: HURRICANE MICHAEL'S IMPACT ON NORTHWEST FLORIDA'S SMALL BUSINESSES

FIELD HEARING

BEFORE THE

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP UNITED STATES SENATE

ONE HUNDRED SIXTEENTH CONGRESS

FIRST SESSION

AUGUST 14, 2019

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WEATHERING THE STORM: HURRICANE MICHAEL'S IMPACT ON NORTHWEST FLORIDA'S SMALL BUSINESSES

WEDNESDAY, AUGUST 14, 2019

UNITED STATES SENATE,
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP,
Panama City, FL.

The Committee met, pursuant to notice, at 10:30 a.m., in Room ATC 303, Gulf Coast State College, Hon. Marco Rubio, Chairman of the Committee, presiding.

Present: Senator Rubio.

OPENING STATEMENT OF HON. MARCO RUBIO, CHAIRMAN, A U.S. SENATOR FROM FLORIDA

Chairman RUBIO. All right. Today's hearing will come to order, the Senate hearing on the Senate Committee on Small Business and Entrepreneurship, and I want to thank everyone for being here, especially to our witnesses. And I want to have a special thanks to the Gulf Coast State College for hosting us. We don't quite have these views in Gainesville where I went to school, and that is what I will say about that.

[Laughter.]

So the title of today's hearing is Weathering The Storm: Hurricane Michael's Impact On Northwest Florida's Small Businesses. As I do not need to remind anyone in this room, on the 10th of October of last year is a date that we are going to remember, we are all going to remember, for a long time. It is when Hurricane Michael made landfall in New Mexico Beach as what we now know was a Category 5 hurricane.

The eye of the storm passed directly through Tyndall Air Force Base, causing nearly $5 billion in damages just to the base alone, displacing thousands of Airmen along with their families and civilian personnel, and leaving one of the Nation's most critical installations frankly crippled. For communities in Northwest Florida, the devastation was nothing short of catastrophic. Many homes were flattened or completely swept away by what was the inconceivable levels of storm surge, and, of course, by Category 5 winds. And to this day, many of our Northwest Florida businesses remain closed.

The Small Business Administration's Office of Disaster Assistance plays a critical role in offering assistance to businesses and homeowners that are impacted by disasters such as these. Through low-interest loans, they provide many disaster victims and sur-

vivors the means necessary to rebuild their businesses, their homes, their lives. The three broad types of Office of Disaster Assistance loans are the Physical Business Loans, the Physical Home Loans, and the Economic Injury Loans. And someone one will probably teach me to turn this thing off.

[Laughter.]

SBA's ODA has had its hands full in responding to the string of devastating storms our State has endured just over the past few years. So according to the SBA, the Office of Disaster Assistance has handled over 64,500 calls from disaster survivors in Florida and has received 25,000 total loan applications. As of last Friday, August 9th, SBA has executed 14,672 loans totaling $693 million for victims and survivors of Hurricane Michael. Every recovery is unique, and the level of devastation caused by Hurricane Michael to the Florida Panhandle is unprecedented in many ways.

Michael's winds also caused heavy losses to several segments of Florida's agricultural industry, including crop losses and catastrophic damage to production and processing structures. And the numbers of debt left behind are staggering. Total losses to agriculture are estimated at nearly $1.5 billion, and total losses to timber stock are estimated at almost $1.3 billion. Nearly 347,000 acres of productive forest were completely destroyed by the storm's winds, with losses ranging between 90 percent and 100 percent. An additional 1 million acres of forestland experienced severe damage due to high wind speeds, with losses around 75 percent. Another 1.4 million acres experienced tropical storm-force winds, with estimated losses of 15 percent.

This level of devastation from Hurricane Michael will have deep and long-lasting impacts on Northwest Florida's—especially the rural communities. The losses to agricultural producers in addition to losses to other business sectors, catastrophic damage to residential and commercial structures, and damage to critical infrastructure are things that are going to reverberate across the region for months, and frankly, for years. Florida's communities also experienced health effects long after the storm passed over and power was restored. It is painful to learn of the continued traumas that children of all ages have experienced, and the unforeseen challenges that local school districts are now having to take on.

Seeing the high rate of Baker Acts being implemented after the storm is also saddening. It takes strong, local leadership to be able to respond to these sorts of challenges, and I am incredibly thankful for the teachers and faculty that tirelessly work to help their students when many of them also lost homes and are also themselves struggling to recover. I am also truly grateful for the Superintendent and his team for their dedication to our students that ultimately led to a Department of Education grant that I was proud to assist with. Because of the county's commitment, $1.2 million was recently awarded to this district to assist in mental health initiatives that are desperately needed.

Just last week, First Lady DeSantis announced the new telehealth initiative that will help 63 schools in Bay, Gulf, Calhoun, Jackson, Liberty, and Franklin counties. The new portals were installed to coincide with the new school year and will provide students with mental health services as well. At the Federal level, I

want to say it was a frustrating, the eight months post-storm period. That is the amount of time it took for Congress to pass, and the President to sign into law, a disaster supplemental appropriations package that will provide Federal assistance to Hurricane Michael survivors. I wish Congress had risen above partisan politics in the games that are often played up there in order to pass disaster aid. It was tied up with issues unrelated to Northwest Florida. There is no one that could question, at the time, that there was an immediate need for the Federal Government to assist our communities. I suppose it was better late than never, but even late, there was damage that was done post-storm by these games that were played.

And sadly, in Northwest Florida survivors here became pawns in a shameful political game to divert attention away from an important issue. Thankfully, there was some good news during this painful period. Within weeks of the storm making landfall, the Vice President visited Tyndall and made a commitment to rebuilding the base. Tyndall will be the Defense Department's next-generation base to receive the world's most advanced jet fighter, the F–35 Joint Strike Fighter. President Trump also recently visited. I happened to be there for that visit. He visited Tyndall, and he reiterated the commitment that had been made to by the Vice President to rebuild Tyndall and to do so that it would be better than ever. This means the local economy will play a pivotal role in the reconstruction and will benefit for decades to come through local defense contracts and indirect spending.

Small businesses will have the greatest opportunity to take part in this effort, and I have no doubt that they will outperform expectations and Tyndall will be back and stronger, and more important to our national security than it has ever been. With the disaster supplemental now law, the equally important work of implementation must be carried out. And so we, in our office, will continue to work every day with the Administration and with the Governor and others to ensure the disaster money serves the needs of Northwest Florida. But, I think today's hearing provides us with an important opportunity to hear from local business leaders about the impacts this devastating storm had on small businesses and to ensure our recovery efforts are effectively coordinated from the Federal to the State, to the local levels.

You know, far too often after disasters and these storms like Michael, when the waters all the way and the winds stop and something else breaks on the news, the media outlets turn and go somewhere else, not a local media of course but the national media. They kind of turn and go somewhere else. And left behind are the victims of disasters who are left to pick up the pieces of their lives, often without the sort of attention that could drive Government action. But I hope today's hearing will continue to underscore a very important reminder for everyone in this community. That you are not forgotten. That this important and beautiful part of Florida will not be renamed the Forgotten Coast.

The small businesses in Northwest Florida that provide families with dignified work and a sense of community will not be forgotten, and certainly not by my office. Tyndall Air Force Base, its service members, and their families will also not be forgotten. And I made

it our task to make sure that that is the way it happens, and you will not be forgotten. So I want to thank our panel. We will begin—let's begin with Mr. Myhre, right? That is the right way?

Mr. MYHRE. Myhre.

Chairman RUBIO. Myhre. Okay. Mr. Myhre, CEO of the Florida Small Business Development Center Network under the University of West Florida's Office of Economic Development and Engagement located out of Pensacola, Florida. Prior to this, he was the Minnesota State Director of The Office of Entrepreneurship and Small Business Development and led the Minnesota Small Business Development Network. He is a graduate of the University of Minnesota's Carlson School of Management. We are curious to hear about hurricanes in Minnesota. Never had any?

Mr. MYHRE. No. A few blizzards.

Chairman RUBIO. You know, I won the Presidential primary in Minnesota. Some of the smartest people in the world were there.

[Laughter.]

My second favorite State. But anyways, thank you for being here and thank you for offering your testimony.

STATEMENT OF MICHAEL MYHRE, CEO, FLORIDA SBDC NETWORK, PENSACOLA, FL

Mr. MYHRE. Thank you, chairman, and thank you for the invitation to testify today and your determined leadership in Washington to represent and ensure that our primary economic contributors and job creators have the resources they need to support their success. You know, exiting the recession of the early 1970s, Congress recognized that small businesses were vital to our Nation's economic recovery, just as they have been in every economic downturn before and since.

Congress conceptualized and created SBDCs, places where existing and aspiring small businesses could go to access the intellectual capital of our Nation's best and most entrepreneurial colleges and universities, thus providing them with greater opportunity for sustained success and economic prosperity. Today, with nearly 5,000 professionals and 900 offices, there is an SBDC network in every State and U.S. territory, the Florida SBDC being the largest with 45 offices and nearly 250 professionals serving every square mile in every urban, suburban, and rural community across our great Nation. And all of that actually started here, in the Panhandle, at the University of West Florida when it became one of the eight original SBDC locations in 1976.

Since that time, UWF has remained true to its commitment of service to advance the regions in our State's economy by nurturing and supporting small businesses. It remains the headquarters of the Nation's most regarded SBDC, and what has evolved to become Florida statutorily designated the principal business assistance organization for small business in our State. At the Florida SBDC, we believe we create unimaginable possibilities of prosperity for small business, and in turn, we believe we create meaningful economic impact and growth for our State that benefits every citizen. And we do this by pulling together that intellectual capital, experience in the resources that small businesses need to overcome bar-

riers, challenges, and obstacles, and turn them into competitive advantages and growth opportunities.

We achieve mission success by providing our State's most important economic contributors, small businesses, with confidential professional consulting delivered by certified professional business consultants and specialists focused on one thing, creating a better Florida for all by helping businesses grow. And best of all, we provide that consulting at no cost to the small business. However, when a disaster strikes, our focus shifts from business growth to business survival. One of the areas I take greatest pride in is our work following a disaster. We are often saving dreams and lifelong work, sometimes, generations of labor. The Florida SBDC serves as a primary State agency on the State Emergency Response Team, and in that capacity, we commit to numerous responsibilities which are outlined in my written testimony, but I will touch on two of the most important activities in the recovery process.

One of the primary responsibilities in the aftermath of a disaster is the coordination of Federal and State recovery resources for small businesses, including the establishment of business recovery centers, or BRCs. BRCs are standalone locations separate from FEMA established Disaster Recovery Centers or DRCs. Standalone BRCs are important because they provide small business owners with direct access to dedicated business disaster specialists versus generalists, that serve both individuals and businesses in DRC locations. BRCs also do not have the same demand as DRCs; therefore, small business owners don't have to compete with citizens seeking individual assistance. See, the sooner a business can get the assistance and resources they need, the sooner they can reopen and begin putting their employees back to work, avoiding potential loss of workforce and a prolonged dependence of individuals on Government assistance.

In collaboration with the Florida Department of Economic Opportunity and SBA, we were able to establish 10 business recovery centers within 10 days after Hurricane Michael well before FEMA was able to stand up its first Disaster Recovery Center in the region. The Florida SBDC also maintains two mobile assistance centers. MACs is what we call them, that can be deployed to serve standalone workstations or BRCs, and the most adversely impacted disaster areas where physical facilities are not available. No other SBDC in the country has these assets.

During Hurricane Michael, both the Florida SBDC MACs were employed full-time and stationed in multiple communities throughout the Panhandle, including Blountstown, Lynn Haven, Marianna, Mexico Beach, and Panama City. Without them, neither SBA nor the SBDC would have been able to reach or serve these communities as quickly and as broadly as we did. Now, recently the Federal Reserve Bank completed a report on disaster-affected firms, which the Florida SBDC collaborated. Among the findings, the study found access to funds in the weeks, months, and years after a disaster influences the ability of small businesses to survive and to minimize disruptions, highlighting the need for immediate, short-term capital to bridge the gap following the storm. The report commended the Florida Small Business Emergency Bridge Loan program and highlighted it as a best practice for other States to

support greater small business recovery and resiliency following a storm.

The Florida SBDC assisted the Florida Department of Economic Opportunity in the administration of the Florida's Small Business Emergency Bridge Loan program, a State-funded, short-term, interest-free loan intended to provide quick, vital capital that helps bridge the gap between the time of the disaster and a business' ability to secure long-term assistance, such as the insurance proceeds, or a private loan, or an SBA Business Disaster Loan, which can take months to procure. As part of the loan process, a Florida SBDC disaster loan specialist provides personalized, hands-on assistance throughout the entire process. From the time of submission of a completed application, to loan closing, and distribution of funds is an average of five days. Sometimes it is as little as three days. Again, quick, vital capital. We closed 588 emergency Bridge Loans following Hurricane Michael, helping small businesses and farmers secure more than $34 million in emergency capital to make payroll, make repairs, replace equipment, purchase supplies and seeds, and other business needs to get them back in business quickly.

Additionally, the Florida SBDC also provided substantial support that resulted in helping small businesses access over 1,200 SBA Business Disaster Loans for nearly $120 million. So, according to FEMA, roughly 40 to 60 percent of small businesses do not reopen following a disaster. In Bay County alone, there are over 18,000 small businesses with less than 20 employees, which comprise 86 percent of all employers in the county. Only five businesses in the county have more than 500 employees. So it truly is a small business county. In addition to creating three out of every four new jobs and employing more than half the private sector, these small businesses account for half of the over $8 billion economy that exists in Bay County. So this begs the question, could Bay County afford to lose 20 to 30 percent of its economy?

So Mr. Chairman, in closing, we already know that small businesses are imperative to the economic success of Florida, especially following a major disaster event like Hurricane Michael and in a relatively rural region like Florida Panhandle. The small businesses in this community are its citizens, the Floridians and the Americans who are from here, live here, and most of all, with a little help and a hand up, the dedication that will lead to the way to rebuilding this community.

The Florida SBDC is a leader with the reputation for being the First Responders for small businesses following a disaster event. We will always be committed to being on the front lines following a disaster. Therefore, it is imperative that we work together with the committee to provide small businesses with the resources they need to recover, rebuild, and establish a sense of normalcy and a path for growth in the long term, in the days weeks, months, and years ahead.

Mr. Chairman, I look forward to working with you, the committee, and the staff of the committee to ensure that America's SBDCs, but most importantly the Florida SBDC, has the necessary resources and the capacity to do just that.

Thank you.

[The prepared statement of Mr. Myhre follows:]

Testimony

of

Michael W. Myhre

CEO, Florida SBDC

August 14, 2019

Committee on Small Business & Entrepreneurship

United States Senate

Chairman Rubio Field Hearing

Weathering the Storm:

Hurricane Michael's Impact on

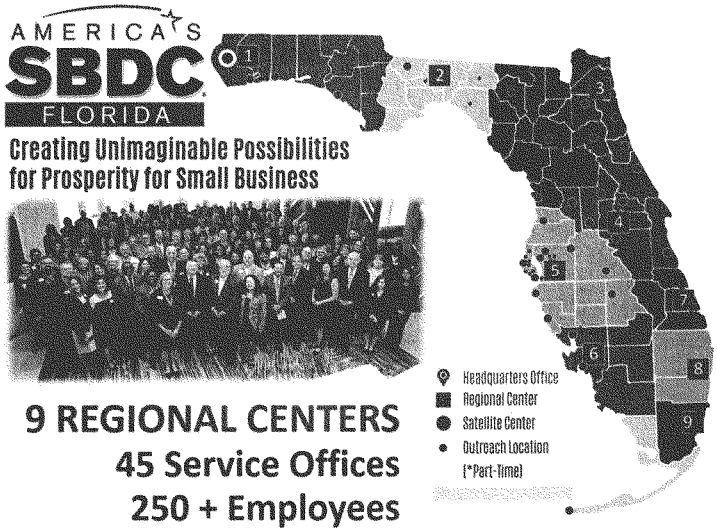
Northwest Florida's Small Businesses

Florida SBDC

Background

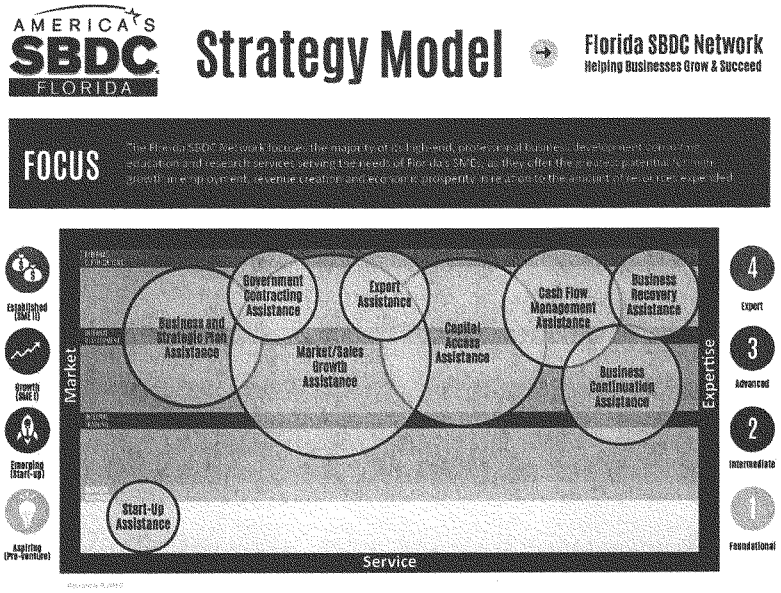
Exiting the recession from 1973 to 1975, Congress recognized that small businesses would play a critical and essential role in our nation's economic recovery. To support in that effort, Congress conceptualized and created the Small Business Development Center (SBDC) pilot program where existing and aspiring small businesses could access at no-cost the intellectual capital of our nation's best and most entrepreneurial colleges and universities providing them with a greater opportunity for sustained success and economic prosperity.

In 1976, the University of West Florida (UWF), located in Pensacola, the panhandle of Florida, was selected as one of the original eight university hosts in the U.S. to participate in the pilot program giving way to the establishment of the Florida SBDC Network. After proving the model as a resounding success, Congress enacted the national SBDC program as part of Chapter 21 of the Small Business Act in 1980. Today, with 45 offices and nearly 250 employees serving every square mile; every urban, suburban and rural community, the Florida SBDC Network has evolved to be designated in Florida Statute as *"the principal business assistance organization for small businesses in the state."* [Florida Statute §288.001]



Our Services

Florida SBDCs offer access to confidential, professional business consulting at no-cost. Our core consulting expertise focus in areas of assed business need that are most vital to accelerating the growth of small and medium sized businesses. The Florida SBDC Network has established a service strategy model that represent existing and targeted (grow needs) areas of competency for the network. Each area of competency is aligned to meet the primary needs of a particular market segment, however, business and service needs may overlap with one another.



- **Start-up Assistance** - Consulting directly attributed to assisting individuals in starting new businesses, including providing guidance on business formation, structure, registration, regulation, and business taxes.
- **Business Plan and Strategic Plan Assistance** - Consulting directly attributed to assisting existing or aspiring small businesses with strategic or business plan development and/or implementation, including, but not limited to, analyzing the

business' mission, vision, strategies and goals, overall critique of the plan, and performance measurement, financials and projections, and plan execution. Assistance may also include the facilitation of strategic plan development for select target market client businesses, or business continuation strategy development including selling, merging or closing a business.

- **Capital Access Assistance** - Consulting directly attributed to assisting existing or aspiring businesses access capital, including providing loan package services, such as assessing capital need, identifying and assessing potential debt and/or equity funders and/or other financing alternatives; assisting in the preparation of applications, projections, pro formas or other support documentation for the request for a loan or other request for financing/investment; preparing a client for lender/investor presentations, or facilitating conferences with or responding to lender/investor inquiries on behalf of a client business.
- **Market/Sales Growth Assistance** - Consulting directly attributed to assisting existing businesses with marketing plan and strategy development to expand existing or access new revenue markets. Services should include conducting strategic research to identify new markets, preparing and analyzing sales and financial projections, and ability to professionally critique a business marketing plan or campaign for expanding into a new market.
- **Government Contracting Assistance** – Consulting directly attributed to assisting existing businesses interested in obtaining contracts with the Department of Defense (DOD), other federal agencies, state and local government agencies and government prime contractors. This includes, but is not limited to, bid/proposal preparation, securing registrations, securing federal and state certifications, marketing and bid solicitation, networking, and contract administration and performance. In addition, a range of networking events are sponsored or co-sponsored providing opportunities to connect businesses with agency buying officers and prime contractors.
- **Export Assistance** – Consulting directly attributed to assisting existing manufacturers, agricultural producers and other qualified small businesses with strategic business assessments and developing and implementing international export marketing plans for new-to-export, new–to-market segment. Included in this area is educational training necessary to facilitate the businesses international mission, vision, strategies and goals, through the nationally NASBITE-certified, Florida Export Certification Program.

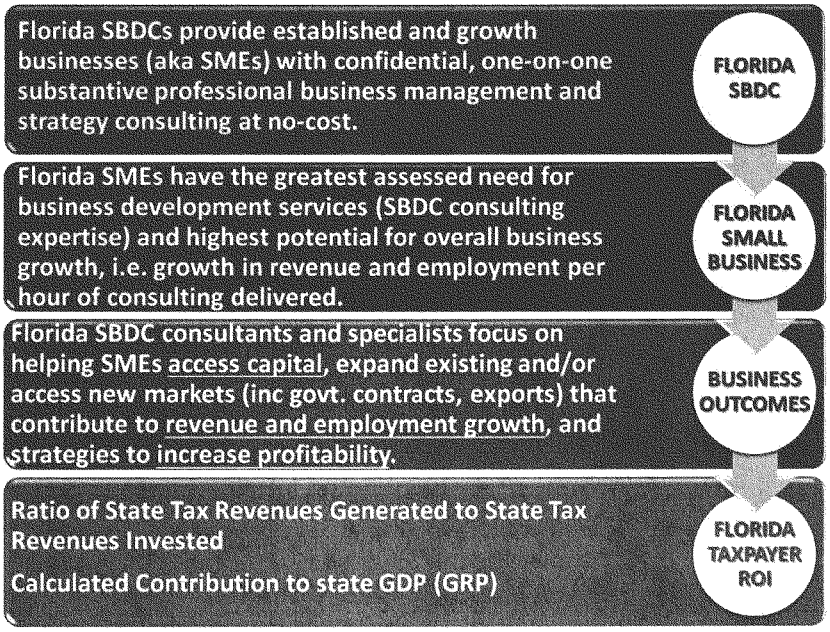
- **Cash Flow Management Assistance** - Consulting directly attributed to assisting businesses with financial literacy in business cash flow management, including cost control management techniques, completing feasibility studies, or completing financial analysis not related to the preparation of a loan package or request for financing. Assistance may also include conducting financial analysis health checks and building financial management strategies and solutions using financial analysis/strategy software or other appropriate application.
- **Business Continuation and Disaster Recovery Assistance** - Consulting directly attributed to assisting businesses with disaster preparedness, mitigation and continuation planning, and disaster recovery assistance, including but not limited assistance with federal and state business disaster loan application assistance.

Our Approach

At the Florida SBDC, we believe we create unimaginable possibilities in prosperity for small businesses located in Florida. As a result, we create meaningful economic impact and growth our state that benefits every citizen. We do this by assembling the intellectual capital, experience, and resources small businesses need in dark days to overcome barriers, challenges, obstacles and turn them into competitive advantage and growth opportunities in blue-sky days.

We achieve mission success by providing our state's most important economic contributors –small businesses– with no-cost confidential, professional business consulting deliverd by certified professional business consultants and specialist focused on helping our small businesses:

- access elusive capital for business investment and expansion, including federal and state business disaster loan assistance for recovery and rebuilding, if necessary;
- develop and implement short-term and long-term strategies for expansion of existing or accessing new markets that contribute to revenue and employment (job) growth, and
- execute strategies, or management and business practices or process to become more competitive and efficient, thus more profitable contributing to the tax base and overall growth of the state economy).



Our Results

The primary purpose of the Florida SBDC is to provide access to no-cost, certified professional business consultants and specialists who possess the experience, expertise, and access to resources existing and aspiring small businesses need to make better business decisions; identify and access growth opportunities, and ultimately achieve sustained success that results in the creation of lasting positive economic impact for Florida's economy.

Appropriately, Congress has increased pressure for publically-funded activities, such as the SBDC program, to be more accountable to taxpayers. Through the Government Performance Results Act, the federal government mandated that SBA and its resource partners, including SBDCs, must be accountable and focused on "outcome-oriented goals" if they expect to receive continued taxpayer support – both characteristics of the culture of the Florida SBDC. Our declared commitment to our funders – therefore taxpayers of Florida – is to be responsible and accountable stewards who exceed performance

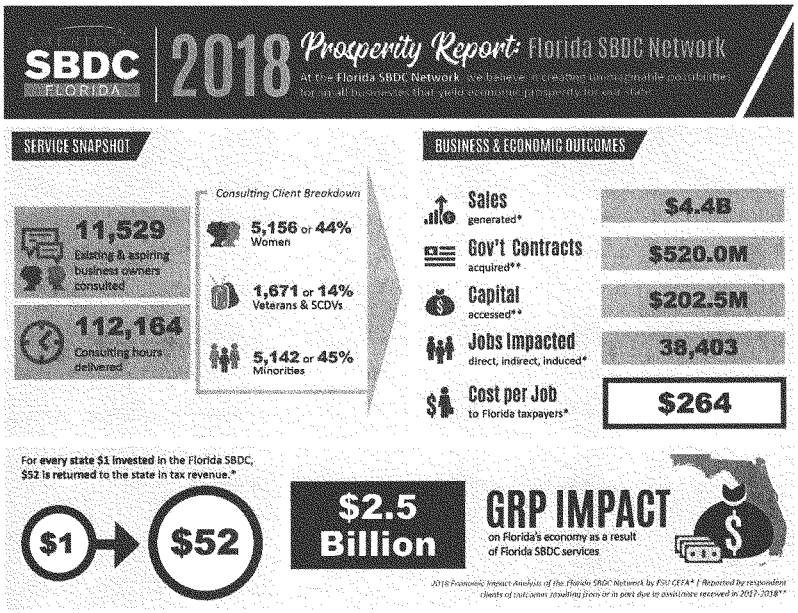
expectations and results that contribute to economic prosperity and meaningful return on investment. Our success in our commitment has been validated repeatedly over the past 43 years.

In 2018, the Florida SBDC delivered more than 112,000 hours of no-cost professional business consulting to more than 11,500 existing and aspiring small businesses businesses located in Florida. According to an independent study conducted by the Florida State University Center for Economic Forecasting and Analysis, our clients attributed that, as a direct result of the professional consulting received:

- $4.4 Billion in Sales Revenues Were Generated
- $520.0 million in Government Contracts Were Acquired
- $202.5 million in Capital Investment Was Accessed
- 38,403 Jobs Were Impacted (direct, indirect and induced)
    - $264 Florida Taxpayer Cost per Job Impacted

Resulting in –

- $2.5 Billion GDP Impact Florida's Economy, and
- $52 Tax Revenues Generated to $1 Florida Taxpayer Invested (Florida SBDC ROI)



Effects of Disasters on Small Businesses

As of July 1, 2018, the estimated population of the Florida was 21.3 million or 6.5 percent of the 327.2 million of the United States. According to the U.S. Small Business Administration Office of Advocacy, there are 2.5 million small businesses (440,365 employers; 2.1 million nonemployers) that employ 3.4 million in Florida. That represents 8.1 percent of the small businesses and 5.7 percent of the private sector jobs in the United States, respectfully. Small businesses contribute to the creation of three out of every four jobs, as well as, 43.5 percent of total GDP. [1] Therefore, understanding the impacts of disasters on small businesses is critical in understanding our state's economy and how best to support its economic recovery.

According to the Federal Emergency Management Agency (FEMA), roughly 40 to 60 percent of small businesses do not reopen following a disaster. [2] A multitude of studies have been conducted on the short-term and long-term effects on small businesses following disasters.

Primary Cause of Damage: Loss of Revenue, Loss of Power

Seeking to fill gaps in the existing literature about the influence of capital on small business' recovery following a disaster, the Federal Reserve Bank recently completed a Report on Disaster-Affected Firms (2017) to examine the business conditions, insurance coverage, and credit environment of small businesses located in FEMA-designated disaster ZIP codes. The study serves as an extension of the annual Small Business Credit Survey, which the Florida SBDC collaborated. Among the findings, the study found that foregone revenues, not assets, were the largest source of losses and that the loss of power was the primary source of their losses (65 percent), followed by flooding (38 percent). [3]

[1] Kobe, K. & Schwinn, R. (2018). *Small Business GDP 1998 - 2014* [U.S. Small Business Administration, Office of Advocacy].
[2] Make Your Business Resilient Infographic [Federal Emergency Management Agency]. (2016, May 16). Retrieved from: https://www.fema.gov/media-library/assets/images/116921#
[3] Federal Reserve Banks (2017) *Small business credit survey: report on disaster-affected firms*. Retrieved from: https://www.newyorkfed.org/smallbusiness/small-business-credit-survey-2017

Quick Capital Is Need

Regarding the capital needs of affected small businesses, the study found that affected firms experienced higher credit risk, lower profitability, and a greater likelihood of financial challenges. Additionally, 66 percent of small businesses that applied for financing experienced a gap. Interestingly, the study found that more affected small businesses sought credit financing than disaster assistance, such as SBA loans. When asked if they would apply for assistance, nearly half (48 percent) indicated they would not apply, suggesting that small businesses base their borrowing on the speed of the decision and chance of being funded. The study also found that affected businesses were more likely to submit three or more applications for financing.

These findings hold important implications. According to the Federal Reserve, "access to funds in the weeks, months, and years after a disaster influences the ability of small businesses to survive and to minimize disruptions" (Federal Reserve, p. 14), highlighting the need for immediate, short-term capital to bridge the gap following the storm. The report commends the Florida Small Business Emergency Bridge Loan programs and highlights them as best practices for other states to support greater small business recovery and resiliency following a storm.

Experience Matters

Sydnor et. al (2017) found in a study of small businesses in southern Mississippi who suffered losses from Hurricane Katrina that catastrophic physical damage was a predictor of the business' operating status. According to the study, "...businesses that never reopened reported higher levels of damage, a greater variety of losses (both physical and non-physical) and longer periods of closure of utilities" (Sydnor et. al, 2017, p. 1659). [4]

Findings from the study also suggest that a business' overall health and age plays a key role in recovery. The study findings confirm prior research that older businesses are more likely to be operational following a storm, suggesting that older businesses are more resilient when affected by a disaster. Corey and Deitch (2011) found that small businesses in the retail and wholesale industries are most vulnerable to disasters, yet are among the first to reopen and adapt to new market conditions. They also found that construction firms typically experience an economic boost following a disaster. [5]

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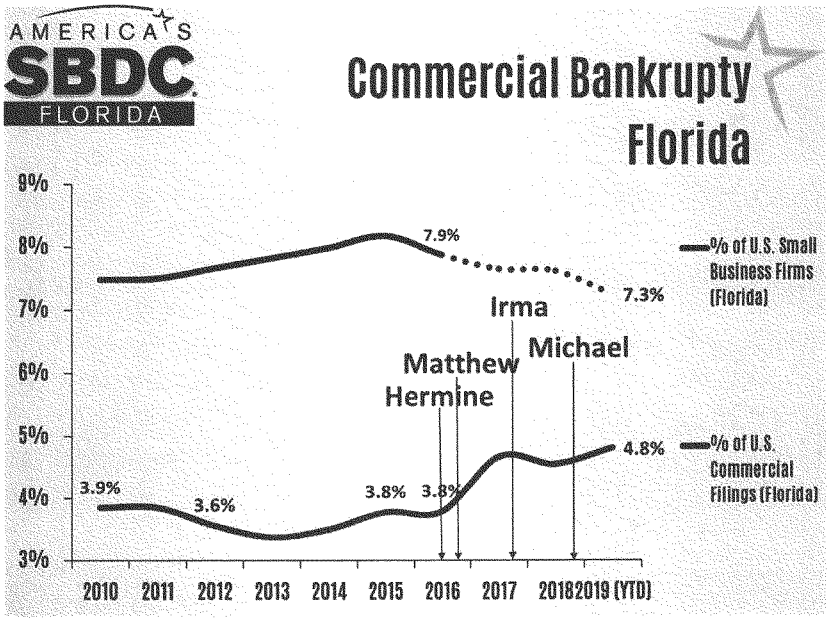
[4] Sydnor, S., Niehm, L., Lee, Y., Marshall, M., & Schrank, H. (2017). *Analysis of post-disaster damage and disruptive impacts on the operating status of small businesses after Hurricane Katrina*. Natural Hazards, (3), 1637. doi:10.1007/s11069-016-2652-y

[5] "Factors Affecting Business Recovery Immediately after Hurricane Katrina," by Christy M. Corey and Elizabeth A. Deitch, September 2011.

Commercial Bankruptcy Filings

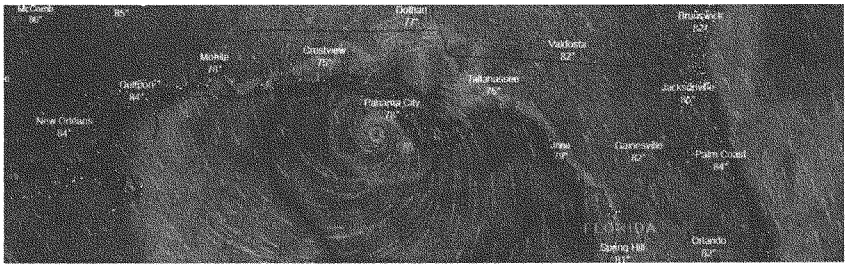
In 2015, the number of commercial bankruptcy filings hit record lows; however, they have begun to creep up over the past few years. The rise of filings could be an indicator of the impact recent disaster events have contributed to small businesses in Florida.

Florida has always enjoyed a lower than representative level of commercial bankruptcy filings in comparison to its percentage of small businesses representation in the nation. From 2010 to 2016, the most current available, the percentage of small business in Florida in comparison to the total small businesses in the United States has ranged from 7.5 to 8.1 percent, however, projections predict it to decline to 7.3 percent in the next three years. Nonetheless, the percentage of the total of commercial bankruptcy filings has always been less than its small business representation. However, since 2016, it has jumped and remained at a higher than historical levels.

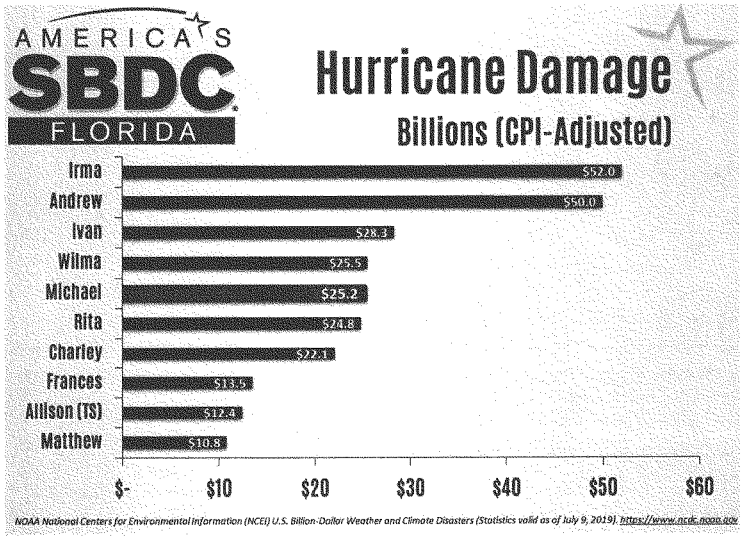


Hurricane Michael

The Impact



On October 10, 2018, Hurricane Michael made landfall near Mexico Beach and Tyndall Air Force Base as a Category 5 storm. Nearly 16 million American citizens were in its destructive path. In addition to the 49 American lives that were lost, the storm was responsible for the loss of an estimated $25 billion in damages across the Southeastern United States [6]; the vast majority of that damage in the Florida panhandle, currently ranking it the fifth in the history of Florida.

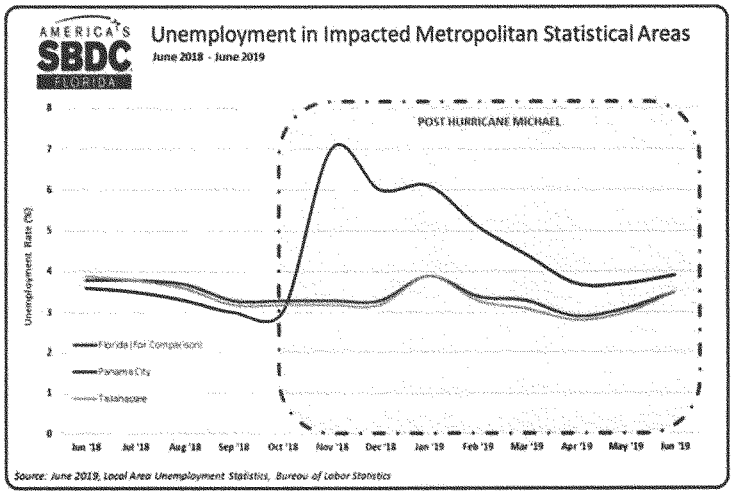


[6] NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2019). https://www.ncdc.noaa.gov/billions/

The Panama City Metropolitan Statistical Area (MSA) took the brunt of the damage with close to 50,000 structures damaged or destroyed. Within the MSA, the City of Mexico Beach was particularly hard hit as roughly 94 percent of their structures were reported damaged or destroyed. [7] These devastating impacts led to significant loss for the regional economy. According to its most recent Hurricane Michael Economic Impact Dashboard, the University of West Florida's Haas Center has placed the value of business production loss (sales/revenues) at nearly $3 billion; loss of labor income at over $700 million, and overall loss to the economy (Gross Regional Product) at nearly $1.8 billion.

According to the Air Force, the damage from Hurricane Michael to Tyndall Air Force Base will cost $4.7 billion to repair. Base officials were forced to relocate 11,000 personnel and 46 aircraft before the store, which damaged nearly 700 buildings. Tyndall accounts for more than 10% of Bay County's population and drives one-third of the county's economy, according to officials.

According to the Bureau of Labor Statistics – Local Area Unemployment Statistics, the Panama City MSA unemployment rate peaked at 7 percent directly following the storm and has fallen to near 4 percent today, but still higher than the state after trending lower prior to the storm. The decrease since the storm is principally attributed to temporary disaster related jobs and workforce demands.



[7] Hurricane Michael. (2019) National Hurricane Center Tropical Cyclone Report. Retrieved from https://www.nhc.noaa.gov/data/tcr/AL142018_Michael.pdf

In the days and weeks following the storm, Florida SBDC and DEO leadership conducted some joint onsite visits with some of the areas largest employers. We also engaged countless small employers at numerous hosted town halls and forums. The loss of trained workforce was the principal mid to long-term concern in their business recovery efforts. Some of the larger employers indicated strategies to "over hire" by 30 to 40 percent in anticipation that they expected that many or more would be misplaced, i.e. unable or could not afford to repair a damaged home or there would be a lack of affordable housing to rent.

In Bay County, where Panama City is located, the post-storm housing crisis is worse than other disaster areas. Nationwide, about a third of people rent their homes. In Panama City, it's more than half. In addition, rental properties committed to tourism make up an enormous portion of the available housing — further complicating the number and affordability of workforce housing.

For areas outside of the Panama City MSA, the challenge to recover and rebuild is even greater. While the 12 the presidentially disaster declared counties comprise over 15 percent of the total area of Florida, only 3.4 percent of the population and 2.5 percent of the small business reside within its boarders. Many had branded the area as the "Forgotten Coast" following Hurricane Michael, but those forgotten stretch 70 miles North and 40 miles East and West.

HURRICANE MICHAEL FEDERALLY DECLARED AREA						
County	General Population[1]	Sqr. Miles[2]	# of Small Businesses[3]	Population	% of Area	% of Small Businesses
Bay County	183,563	758	18,158	0.9%	1.4%	0.7%
Jackson County	48,330	918	3,470	0.2%	1.7%	0.1%
Washington County	24,567	583	1,852	0.1%	1.1%	0.1%
Gulf County	16,160	564	1,443	0.1%	1.1%	0.1%
Holmes County	19,558	479	1,339	0.1%	0.9%	0.1%
Calhoun County	14,483	567	912	0.1%	1.1%	0.0%
Leon County	290,292	667	27,725	1.4%	1.2%	1.1%
Gadsden County	46,071	516	3,613	0.2%	1.0%	0.1%
Wakulla County	32,120	606	2,428	0.2%	1.1%	0.1%
Franklin County	11,727	535	1,635	0.1%	1.0%	0.1%
Taylor County	21,833	1,043	1,307	0.1%	1.9%	0.1%
Liberty County	8,242	836	501	0.0%	1.6%	0.0%
12 Counties	716,946	8,072	64,383	3.4%	15.1%	2.5%
63 Counties	**20,984,400**	**53,625**	**2,561,620**	**100.0%**	**100.0%**	**100.0%**

Disaster Response and Recovery - Our Role

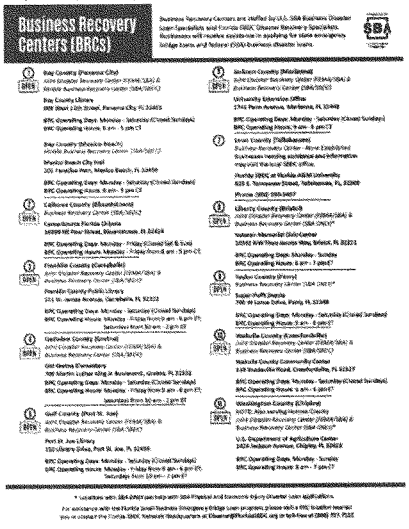
One of the areas we take great pride is the important role the Florida SBDC contributes to disaster response and recovery.

The Florida Department of Economic Opportunity (DEO) is the "Primary Agency" for the Florida State Emergency Response Team (SERT), Emergency Support (ESF) #18 Business, Industry and Economic Stabilization. The Florida SBDC Network is one of the "Participating Primary State Agencies" for the Florida SERT ESF-18.

In Florida, the SBDC is the leader with the reputation for being the first responders for small businesses following a disaster event. As such, we are committed to being on the front lines to ensure our state's principal job creators and primary economic contributors have the professional guidance they need to successfully navigate the initial and long-term recovery process.

Establishing and Staffing Business Recovery Centers:

As a SERT ESF-18 Participating Primary State Agency, the primary responsibility for the coordination of federal and state recovery resource for small business, including but not limited to identification and establishment of Business Recovery Centers (BRC) locations in collaboration of the U.S. SBA, lies with the Florida SBDC Network.



With the leadership of DEO, and cooperation and collaboration of the SBA, we were able to establish 10 BRCs within 10 days after Hurricane Michael – well before FEMA established its first Disaster Recovery Center in the region. Moreover, where and when resources allowed, every BRC location comprised of both U.S. SBA and Florida SBDC business recovery specialists to provide onsite, personalized one-on-one assistance to impacted small and medium sized businesses.

BRCs with separate locations (or at least dedicated locations) from FEMA established DRCs provide small business owners with direct access to dedicated business disaster specialists, where they do not have to compete with long lines and wait times with citizens seeking individual assistance. The sooner a business can get the resources they need, the sooner they can reopen and begin to re-employ avoiding prolonged individual need of government assistance.

Deploying Mobile Assistance Centers (MACs):

The Florida SBDC maintains two Mobile Assistance Centers (MACs) that can be deployed to serve as standalone workspaces in the most adversely impacted disaster areas. Our MACs are offices-on-wheels that allow for Florida SBDC and SBA disaster specialists to assist, prepare and process state and federal business disaster loan applications and provide other small business disaster assistance where physical facilities are not available.

During Hurricane Michael, both our Florida SBDC MACs were deployed full-time and running at capacity through the end of the year, and both were stationed in multiple communities throughout the panhandle as designated "Mobile BRC" locations, including Blountstown, Lynn Haven, Marianna, Mexico Beach, and Panama City. Without them, we would not have been able to do what we did.

Business Disaster Loan Assistance:

The Florida SBDC assists the Florida Department of Economic Opportunity in the administration of the Florida Small Business Emergency Bridge Loan program; a short-term, state-funded interest-free loan intended to provide quick, vital capital that helps "bridge the gap" between the time of disaster and when a business secures long-term assistance, such as insurance proceeds, private loan, or SBA business disaster loan.

As part of the loan process, a Florida SBDC disaster loan specialist provides personalized, hands on assistance throughout, including:

- ✓ meet and answer questions and expectations about the loan program;
- ✓ pre-screen the applicant for eligibility;
- ✓ provide assistance in completing the application and packaging of the loan;
- ✓ organize and facilitate the bridge loan committee, usually comprised of local bankers, who deliberate and decide if the loan will be made;
- ✓ communicate the loan decision to the applicant, and,
- ✓ if approved, facilitate the closing and distribution of the loan.

Generally, the small business owner/applicant is assigned and communicating with one, no more than two Florida SBDC disaster loan specialists throughout the entire process.

With help from our partners, the Florida SBDC Network assisted and closed 588 emergency bridge loans following Hurricane Michael; helping small businesses and farmers secure more than $34.1 million in immediate, short-term capital to make payroll, make repairs, replace equipment, purchase supplies and seed, and other needs. While we did not provide each direct assistance, the Florida SBDC provided substantial support, directly and indirectly, to SBA in helping small businesses secure 1,228 SBA Physical and Economic Injury Disaster Loans for more than $119.6 million.

HURRICANE MICHAEL
BUSINESS DISASTER LOAN ASSISTANCE

Florida Small Business Emergency Bridge Loans	Total
Loans Approved	513
Dollars Approved	$21.2M

Florida Small Agricultural Producer Emergency Bridge Loans	Total
Loans Approved	75
Dollars Approved	$12.8M

U.S. SBA Business Disaster Loans	Total
Loans Approved	1,228
Dollars Approved 18% of Total SBA Disaster Loans Approved	$119.6M

Road to Recovery Remains Long

Veterans of natural disasters, Floridians are no strangers to the devastations created by Mother Nature. Nonetheless, since 2016, Floridians have endured four hurricanes— Hermine, Matthew, Irma, and Michael—and an elevated presence of red tide and algae blooms that created devastating losses for our state. The results of these events were further compounded by complacency caused by a decade without a hurricane. As disaster-affected regions of the state struggle with rebuilding, small businesses play a vital role in recovery efforts.

For small businesses in Northwest Florida, Hurricane Michael was unprecedented. The storm quickly gained strength overnight, leaving businesses and residents little time to prepare. The few that reopened quickly gained a competitive advantage over the many that did not. Regardless, as residents slowly begin to pick up the pieces, most small businesses impacted by the storm are facing an uncertain path to recovery and have few, if any, resources at their ready.

In Bay County, there are 18,126 small businesses with less than 20 employees, which comprise 86 percent of all employers in the county. Only five (5) businesses in the county have more than 500 employees.[8] According to Dun & Bradstreet, recent FEMA reports suggest that a total of 68,579 businesses were impacted by Hurricane Michael--the Panama City MSA alone accounting for close to 20,000 of these businesses. In addition to providing and creating most of the private-sector jobs, and accounting for half of over $8 Billion dollar economy in Bay County, the small businesses in this community are its citizens – Floridians and Americans – who are the hearts and souls of this community. It is small business owners, like David Kiser of Mexico Beach-based Caribbean Coffee, who grew-up here, raised their kids here, who bring the character, vibrancy, and most of all, the dedication and inspiration, that lead the way to rebuilding our community.

Caribbean Coffee, Mexico Beach

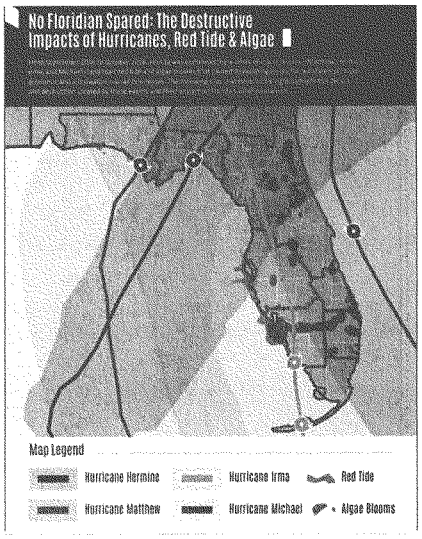
After Hurricane Michael swept ashore, David Kiser, owner of Caribbean Coffee, could not believe that his lifelong dream was still upright. His store, which sits feet off the Gulf on Hwy 98, serves ground roasted brewed coffees, homemade sandwiches, pastries, including the world's best cinnamon buns, in a relaxed, island-inspired atmosphere.

[8] U.S. Census. Nonemployer Statistics for the U.S., States, Metropolitan Areas, and counties; and by Legal Form of Organization and Sales, Value of Shipments, or Revenue Size for Selected Geographies: 2017, and 2016 County Business Patterns Retrieved from https://data.census.gov and https://factfinder.census.gov

Prior to his stores' official reopening long after the storm, David opened his front door, threw out the welcome mat. Without power and running water, he began serving complimentary coffee using bottled water and an electric kettle connected to a battery one cup at a time to weary residents, first responders and curious strangers. That was the first time I met David.

In an interview, he told News 13, "The plan was to open up as quickly as possible. Anything that leads to normalcy puts a smile back on somebody's face and that's what I was trying to give them."

Small businesses are imperative to the current and future economic success in Florida, especially in the days, months and years following a major disaster event like Hurricane Michael. We recognize that at the Florida SBDC. In addition to helping small businesses secure immediate sources of emergency capital to retain employees, pay for repairs, and other expenses to reopen their doors, our team of certified professional consultants and specialists help our small businesses impacted by disasters secure the necessary resources to give them the best chance for a long-term recovery, including help developing short-term and long-term strategies for recapturing or expanding existing or accessing new markets and opportunities for growth.



Regrettably, but no regrets, disaster recovery has become a full-time job. Since 2016, the Florida SBDC has successfully responded to federal disaster declarations and emergency executive orders for four hurricanes – Hermine, Matthew, Irma and Michael – and redtide and algae blooms without any special appropriation, disaster supplement or reimbursement. During that time the Florida SBDC has expended millions of its general operating budget in support of its commitment to serve the needs of our small

business in the greatest time of need. While this work is critical, and equally demanding as it is rewarding, it takes away from the core work that the Florida SBDC Network expected and accountable by our funding agency partners, including the SBA.

Congress created the RISE (Recovery Improvements for Small Entities After Disaster) Act of 2015 as an intended mechanism to provide SBDCs with the financial investment necessary to provide the immediate and long-term assistance small businesses needed to make a full recovery following a major disaster event. While its intent was in the right place, it falls short because it depends on the Administration's authorization and support. To ensure SBDCs have the necessary capacity to do this essential and critical work; to provide our small businesses with expertise and best, long-term chance for recovery, I recommend that the committee consider a Congressionally-designed solution that creates a set aside or directly appropriates from supplemental or agency administrative funding for SBDCs serving a federally declared disaster area. Further, assign them the authority to allocate and expend resources to meet the responsibilities outlined without agency interference and red tape or unnecessary or unrelated functions or performance goals.

In close, Mexico Beach is a vivid reminder of the work that is still left to be done. In October 2018, Hurricane Michael wiped out 80 percent of the city; a seaside town known for its old Florida charm. Seven months later, debris still lines the streets and concrete slabs serve as gravestones as a reminder of the homes and businesses that once stood in their place.

Nearly a year later, communities like Mexico Beach are still feeling the lingering impacts from the storm. It is imperative that we work together to provide small businesses with the resources they need to recover, rebuild, and establish a sense of normalcy. Our small businesses add vibrancy to our communities, employ the majority of workers, and create wealth and prosperity for our economy—we owe it to them to find a better solution to provide the immediate resources they need to recover in the days, weeks, months, and years ahead.

About Michael W. Myhre, CEO, Florida SBDC Network

From mailroom to boardroom, Michael W. Myhre has served in every capacity of an SBDC since 1990. Prior to 2011, Mr. Myhre held the position of Executive Director for the Office of Entrepreneurship and Small Business Development for the State of Minnesota during the governorship of Tim Pawlenty. In this capacity, he provided oversight of Minnesota's leading office of entrepreneurial and small business development, including direction of the Minnesota SBDC. In January 2011, he joined the Florida SBDC as its chief operating officer before assuming the position as the organization's chief executive officer in 2013.

Throughout his career, Michael has served on many boards and committees. He has served eight years on the Board of Directors for America's SBDC, the Association of Small Business Development Centers (ASBDC), most recently as its Board Chairman in 2016-2018, and various

other capacities. He currently serves on the Boards of Directors for CareerSource Florida, Florida Economic Development Council, and Manufacturers Association of Florida; the Florida Chamber Foundation Board of Trustees, Florida Chamber Small Business Council Executive Committee, Enterprise Florida Strategic Partners and Policy Committee, and others.

Michael is a graduate of the University of Minnesota, Carlson School of Management. He lives in Pensacola Beach, Florida, and married with three adult children who have yet to bless him with grandchildren.

Chairman RUBIO. Thank you, and before taking on our next witness, I neglected to mention some distinguished, important partners in this endeavor. They are here with us today. I see Jimmy Patronis, our State's CFO is here, who in addition to having statewide responsibilities is still very much strongly linked to Northwest Florida. We were just talking on the phone on the way over here earlier and thank you for being a part of this today. And Mayor of Panama City is here. Mayor, thanks for being here as well. We appreciate it. And the Superintendent, thank you for being here, sir. We appreciate it very much. And even—is the City Manager still here, Mr. McQueen? There you go. Thank you guys for being here.

As I said, this disaster response really is vertically integrated, and it involves, at the Federal level, some role to play, but as you have outlined, having strong local partnerships and State partnerships across the border is so critical. And whatever progress we have made and continue to make would have been impossible without them being in the lead here. So you have got a great local community and we thank you all for being here and being a part of this. Colonel Brian Laidlaw is going to be our next witness. He is the Commander of the 325th Fighter Wing Air Combat Command at Tyndall. The 325th is the largest F–22 fighter wing in the Air Force, consisting of more than 4,400 personnel in 52 fifth-generation aircraft.

As the installation Commander, he supports the 23,000 Airmen, civilians, contractors, and families who call Tyndall Air Force Base home. The Colonel was a distinguished graduate of the U.S. Air Force Academy in 1997. Upon completion of Euro-NATO Joint Jet Pilot Training at Sheppard Air Force Base in Texas, he served in multiple fighter assignments flying both the F–15 Eagle and the F–22, and, in addition to his flying assignments, he was a legislative fellow in the U.S. Senate.

He attended the National War College, spent two years in the Office of the Secretary of Defense staff as a Fighter Program Analyst, and operationally he has deployed multiple times to the Middle East. So thank you for being here and for your service to our country.

STATEMENT OF COLONEL BRIAN LAIDLAW, COMMANDER, 325th FIGHTER WING, AIR COMBAT COMMAND, UNITED STATES AIR FORCE, TYNDALL AIR FORCE BASE, PANAMA CITY, FL

Colonel LAIDLAW. Thank you, sir. Senator Rubio, thank you for being here, and for inviting me to testify today before the Senate Committee on Small Business and Entrepreneurship on Hurricane Michael's impact on Northwest Florida's small businesses. I would like to start off by publicly expressing my sincere appreciation to the Bay County Chamber of Commerce, led by their president and CEO, Ms. Carol Roberts. I think that Ms. Roberts would agree with me that we have inherited from our predecessors a strong, symbiotic relationship between a long-standing military base and a growing community. This relationship gives us, and those we serve, a tremendous opportunity to make things better for future generations lucky enough to call Bay County home.

This community's support for Tyndall AFB is quite, literally, award-winning. As you are aware, the Association of Defense Communities named Bay County as one of five members of its 2019 class of Great American Defense Communities. You do not win this award by having just one good year. This prestigious award was decades in the making. The strong relationship between Tyndall and the community has only grown stronger in the aftermath of Hurricane Michael. Thank you to the Bay County Chamber of Commerce, especially its Military Affairs Committee, and to the Bay Defense Alliance for all you do to support Tyndall Air Force Base. When Hurricane Michael made landfall as a rare Category 5 storm last October, it dealt a devastating blow to our area's small businesses and the base alike.

The storm left roughly half of the base's 484 buildings either completely destroyed or so badly damaged that they are too costly to fix. Nearly all of the buildings that did survive the storm required varying degrees of repair. Despite the extensive damage to the base, over the last ten months, our Airmen implemented countless, innovative, temporary fixes to bring their missions back online, consistent with our Air Force Secretary's direction. With the exception of our F–22 and T–38 flying operations, much of which we are conducting out of Eglin, and our non-commissioned officer academy, which we plan to stand up sometime next year, we have fully resumed all of our missions at Tyndall.

We have back at Tyndall 73 percent of the military and civilian Airmen that we had pre-Michael, 85 percent when we count our people at Eglin. Some have moved back into recently repaired facilities, like our Air Traffic Control Tower, our 1st Air Force Headquarters, and our Air Battle Manager schoolhouse. Others will continue to work in temporary, modular facilities and sprung shelters until we rebuild their permanent structures. As you are aware, Tyndall Air Force Base has a significant and enduring economic impact on this region. As we both recover and rebuild the base, we expect that economic impact will continue for the foreseeable future.

We last completed a formal Economic Impact Analysis in 2017. This 2017 analysis was consistent with each of the two previous studies in 2011 and 2014. In fact, over the course of three straight economic impact studies covering the seven years preceding Hurricane Michael, Tyndall Air Force Base consistently registered an estimated economic impact on our local community of approximately $600 million per year. The U.S. Department of Commerce developed the standard factors we use to compute this estimated impact. These factors consider three major categories. First, the annual payroll for all of our employees; second, our annual expenditures on things like construction, services, materials, equipment, and supplies; and, third, an estimated dollar value of the indirect jobs we create. In 2017, Tyndall spent $371 million on payroll and $150 million in annual expenditures.

Additionally, Tyndall created an estimated 1,908 jobs worth $75 million. In 2017, the total estimated economic impact from Tyndall Air Force Base on the surrounding communities was $596 million. In 2019, Tyndall's economic impact will be much higher. We do not know exactly how much higher until we get the final numbers at

the end of the fiscal year. At this point, both payroll and value of indirect jobs created appear to be consistent with historical estimates for a combined total of about $400 million. However, and as expected, our annual expenditures category this year will be much higher. This is a direct result of Hurricane Michael recovery efforts.

We estimate we will execute over $1 billion on facility repairs, supplies, utilities, and other services across the base before the end of the fiscal year. This estimate does not include the military construction projects needed to rebuild what Tyndall lost in the storm. The estimate for these projects is approximately $3 billion. The future is bright for Tyndall Air Force Base and for our community. Just last week, Vice President Pence reaffirmed the Administration's commitment to rebuilding the installation. Our Acting Air Force Secretary Donovan also announced that recently completed Air Force analysis confirmed last December's decision to bed-down up to three squadrons of F–35A fighters at Tyndall, with the first aircraft slated to arrive in 2023.

This decision bodes well for the installation's continued and significant economic impact on the businesses in our area. Opportunity is ours for the taking. I would like to thank you again, sir, for the invitation to testify before the committee this morning, and I look forward to your questions.

Thank you.

[The prepared statement of Colonel Laidlaw follows:]

Written Testimony for the U.S. Senate Committee on Small Business and Entrepreneurship

Weathering the Storm: Hurricane Michael's Impact on Northwest Florida's Small Businesses

By Colonel Brian Laidlaw, USAF
Commander, 325th Fighter Wing, Tyndall Air Force Base, Florida

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Despite the extensive damage to the base, over the last ten months our Airmen implemented countless, innovative, temporary fixes to bring their missions back on-line, consistent with our Air Force Secretary's direction. With the exception of our F-22 and T-38 flying operations, much of which we are conducting out of Eglin, and our non-commissioned officer academy, which we plan to stand up sometime next year, we have fully resumed all of our missions at Tyndall. We have back at Tyndall 73% of the military and civilian Airmen that we had pre-Michael, 85% when we count our people at Eglin. Some have moved back into recently repaired facilities, like our Air Traffic Control Tower, our 1st Air Force Headquarters, and our Air Battle Manager schoolhouse. Others will continue to work in temporary, modular facilities and sprung shelters, until we rebuild their permanent structures.

As you are aware, Tyndall AFB has a significant and enduring economic impact on this region. As we both recover and rebuild the base, we expect that economic impact will continue for the foreseeable future. We last completed a formal Economic Impact Analysis in 2017. This 2017 analysis was consistent with each of the two previous studies in 2011 and 2014. In fact, over the course of three straight economic impact studies covering the seven years preceding Hurricane Michael, Tyndall AFB consistently registered an estimated economic impact on our local community of approximately $600 million per year.

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The future is bright for Tyndall AFB and for our community. Just last week, Vice President Pence reaffirmed the Administration's commitment to rebuilding the installation. Our Acting Air Force Secretary Donovan also announced that recently completed Air Force analysis confirmed last December's decision to bed-down up to three squadrons of F-35A fighters at Tyndall with the first aircraft slated to arrive in 2023. This decision bodes well for the installation's continued and significant economic impact on the businesses in our area. Opportunity is ours for the taking.

I'd like to thank you again for the invitation to testify before the committee this morning, and I look forward to your questions.

Chairman RUBIO. Thank you. Our third witness is Mr. Aaron Rich who is the owner of Aaron Rich Marketing, a business he started by himself back in 2013. Since then, the business portfolio grew to 12 employees by last year. His downtown Panama City office was significantly damaged by Michael, and Mr. Rich successfully utilized the SBA loans in the aftermath of the storm. Thank you for being here. We appreciate it.

STATEMENT OF AARON RICH, OWNER, AARON RICH MARKETING, PANAMA CITY, FL

Mr. RICH. Yes, sir. Thank you. I appreciate you never forgetting us. That is sincere from the folks in our town. In a lot of ways, I think we have felt forgotten, but it is nice to know that you have not, sir. So thank you for having us here. Prior to Hurricane Michael, our business was a rapidly growing company that provides services for digital marketing and IT solutions to a wide range of commercial and non-profit clients.

My company was founded as a single person company in 2013 and we had grown to 12 employees over our 3 business units at the time of the storm. Our business units are Aaron Rich Marketing, which specializes in digital marketing including website development, graphic design, social networking, and SEO. ARCITECHX is an IT consulting firm that supports small to medium businesses throughout the region with hardware, software, network administration, and server management needs. Low Voltage Cabling Contractors is a limited energy specialty contractor that provides Ethernet, CCTV, audio, and other low voltage wiring in new and existing construction.

As a result of the growth we were experiencing, our needs in the prior months to the storm had led us to invest in an office in downtown Panama City that required a full renovation. Our business is often oriented toward taking something that is unrefined and in need of help and the office that we found was no different. It was in perhaps the most blighted block of our downtown and the facility needed a reboot. One week before the storm, we handed our contractor the final punch list on our state of the art, fully renovated office space. As we all are well aware, October 10th wreaked havoc across our region and decimated most of the structures within the city. I consider ourselves one of the lucky ones that we sustained lesser damage than many. Albeit, that damage still included losing approximately 25 percent of our roof with damage across other parts of the roof, collapsed ceilings, significant loss of equipment, loss of fencing, downed trees, as well as other damage throughout the building.

We were lucky. Afterwards, my staff worked not just to secure their homes and family's needs, but my IT staff worked countless hours to try and restore businesses with temporary networks so that their businesses would have as much continuity as possible. Since it was unchartered territory from a technical standpoint, many of the solutions had to be developed on the fly. Several of our clients we supported in this time were important in the storm response efforts including contractors, infrastructure-related organizations, and medical facilities. As I soon found out, working through the insurance claim process would be an arduous one.

Without the capability to make phone calls and get internet connectivity, basic communication with the insurance companies was extremely prohibitive. Even once a basic level of communication was obtained weeks after the storm, it became clear that the insurance process would be a long-term fight that many of us still fight today. Knowing what challenges were ahead, I had concerns for the financial well-being of my staff's families as well as my ability to retain those employees who were vital to the operating business. I run my business pretty conservatively and still I could see what was coming with the lack of income from unpaid AR. Some of my clients were completely out of business because their facilities were destroyed, and some would be experiencing significant delays to regain operations.

I still today carry an abnormal amount AR revenue but manage it and retain all but one employee that has since been replaced. After discussion with the SBA loan programs, with local SBA Specialists Johnny Branch and Len Eichler, I decided that we might be able to utilize the SBA program to help with the business restoration and working capital. While I had a fairly good understanding of what documentation was required from being a loan officer earlier in my career, I still found the loan application process to be extremely involved given the circumstances. Had I not had this career experience, I would have found the loan process to be quite intimidating.

I can certainly see why some people in a disaster situation would just give up on the SBA loan program and go a different direction. Even gathering the information needed was difficult because some of the documentation required was lost in the storm when the office was damaged, as well as having weeks of problems with internet connectivity. The window of opportunity for applying to these programs seemed to come and go too quickly. I do think that extending the application deadline relative to the level of disaster would be a reasonable approach. Disseminating information about the programs was difficult because of the lack of communications, and then the application process being a lengthy one did not leave potential loan applicants much time to react.

I was, however, able to work through the process, and my wife and I eventually closed on the loan in mid-December 2018 after putting our personal home and office as collateral. That was, however, not the end of my issues in becoming whole as a business again. Prices for renovations were exponentially more than when we renovated a few months before the storm. For example, roofing quotes we received post-storm to pre-storm were over double the cost. Contractors were also getting backed up for months on projects, especially local contractors that we knew and trusted. Predatory contractors came into the marketplace and we started hearing horror stories about people being taken advantage of all across town.

Furthermore, I received a small disbursement from the SBA after the loan closing and did not receive an additional disbursement until early March 2019. By that time, I had come out of pocket as much as possible, but some repairs had to be delayed. We are still today awaiting completion on our non-essential repairs such as our back awning of our building and fencing due to a backlog of

contractor scheduling. If we were able to get SBA loan disbursement faster, our recovery would have most certainly been swifter. Our SBA advisor seemed to be helping us through the process and we immediately provided her with the necessary documentation as soon as she requested.

I believe it is just a tremendous amount of red tape that causes it to be slower than it should be, sir. In the end, we were able to utilize the SBA loan funds to keep the business operational, and it was a program that helped us to find relief in this difficult time. I certainly appreciate your willingness to discuss the SBA loan process and to take to heart the constructive feedback that we have as individuals that have been through this experience.

Thank you, sir.

[The prepared statement of Mr. Rich follows:]

Aaron Rich
Owner
Aaron Rich Marketing
842 Harrison Ave
Panama City, FL 32401

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Chairman RUBIO. Thank you. And our last witness, last but not least, is a former colleague of mine, actually my predecessor in the Florida House of Representatives, the Speaker, Mr. Allan Bense. Well known to many of you, actually great story. You know, before he became Speaker, I was 4 years away from it. We sat next to each other on the floor and as is often the case, especially I did, when you are still running for Speaker, you are wandering the floor to talk to the other members, just make sure everyone is still on board. And so oftentimes, you know, he knew how I was going to vote. And so you press each other's buttons. I can say that now that we are out, but that year he voted on my behalf so often, I think I was runner-up for Bay County legislator of the year.

Mr. BENSE. No, you won it. You won it.

[Laughter.]

Chairman RUBIO. I do win. Okay, good. And I am here to collect my prize. No, I am kidding. But he is here for two reasons. The first, of course, is that he is the Co-Chair of Rebuild 850, and the other is I wanted to force him to wear a suit and tie once in a while. Nowadays, one of the things he bragged about, not too long ago, when he went back to the business sectors is he did not have to dress up like us every day, he could sort of—but it is great to have you here. Thank you for agreeing to be a witness, and it is always great to see you.

STATEMENT OF ALLAN BENSE, CO-CHAIRMAN, REBUILD 850, PANAMA CITY, FL

Mr. BENSE. Mr. Chairman, Senator, Mr. Speaker, I appreciate your inviting me to speak today. It is awfully kind. I don't know which role, which title, but we will stick with chairman today. But thank you for coming. Everyone in Bay County and all the surrounding counties appreciate you being here. I do not have prepared remarks, but I am not nearly as good as you on the cuff, but we learn a little bit as time goes on.

And I appreciate your staff coming. Nick, Jake, Harry, Lauren, thank you for being here. Came down all the way from Washington and you have got a great staff. I have had a chance to interface with them. I also appreciate Mayor Brudnicki for being here today. Will Husfelt, Superintendent of Schools, and our beloved CFO, Jimmy Patronis, and also the City Manager of Panama City, Mark McQueen, General Mark McQueen. I was mentioning to him earlier, my worry about General McQueen is he so well qualified, I am afraid he is going to leave. So hang in there, General. We love you, man. We love you. Rebuild 850——

Chairman RUBIO. Hate to interrupt but we could take away his passport to make it harder for him——

[Laughter.]

Just an option.

Mr. BENSE. You are good. Rebuild 850 was formed subsequent to the hurricane. You know as well as anyone that this part of the State really is—we are not as wealthy as other parts of the State and we are not as well-known as other parts of the State. My son-in-law, Will Weatherford, called me and said we need to do something to help Northwest Florida that has been affected by the hur-

ricane and we concocted Rebuild 850 along with former Congresswoman Gwen Graham.

The purpose of Rebuild 850 is to fundamentally raise money and awareness and get volunteers to bring resources to the areas that are affected by the hurricane. Fundamentally, we were trying to raise money. We raised somewhere between $500,000 and $1 million. By the way, if you have a check, make it payable to Volunteer Florida, which is a great organization. Volunteer Florida then takes these dollars and earmarks them toward the affected counties, and they are distributed to the Salvation Army, the Red Cross, etc., other not-for-profit agencies who are helping people. So anything anyone can do to help us bring more money, we are wide open. We have more money to raise, and it has taken a while to get things moving.

I want to talk about a couple of other areas. Number one, our schools. The number of homeless students in Bay County Schools alone went from 750 to over 5,500 homeless students. We clearly have a terrible housing issue, an acute housing issue in Northwest Florida, and we have significant problems with mental health issues out there, not just among students, but amongst the entire community. The Superintendent was telling me we have $167 million in the Federal budget that is allocated for education and we have not had the opportunity to receive any of it yet. So if you can put a word in on that, Mr. Chairman, we would certainly all really appreciate it. The biggest issue is our workforce. I am a business. I was at McDonald's about a month ago, about 8:30, 9 o'clock and the lobby is closed. So I said, why? They cannot get workers. I mean they cannot get workers and they are paying $12, $13 dollars an hour.

Now, they opened up later, but the point is I personally could hire 100 people tomorrow if I had qualified workers. The pay is good. The problem is it is very difficult because of the housing issue for employees to move and live in Bay County and other counties that have been affected by the hurricane. We are hurting. The average working man, working woman are having a very, very difficult time. I will get through it. I just moved back to my house month and a half ago, and I will be okay, but there are a lot of people that are hurting out there. A lot of people hurting. If you go to a convenience store, guys and gals take a look around. There are some folks that are really having a hard time. Not just convenience stores, but everywhere it is tough. It will be three to five years before we really ultimately recover.

I think the cities and counties need to be thoughtful and deliberate in how they plan for recovery, and they are doing just that. It is tough because everyone wants everything done now. They want to see their homes rebuilt. They want to see Government offices rebuilt immediately, and it is very, very, very difficult to do. So biggest issues out there, from a business perspective, is the workforce. We need all we can do to improve our workforce.

Thank you, Colonel, for all you are doing at Tyndall. You are doing a fantastic job, and Senator, Tyndall Air Force Base is vital to our area. And I know you have been down here at least half a dozen times, perhaps more. You are sponsoring legislation on the Hill that is helping our area, and I can tell you, on behalf of every-

one in this room, thank you for what you are doing. We really appreciate it.

Having said that, again, thanks to the staff for being here. We really appreciate it, and you have got a great staff, and if you have any questions, feel free to ask.

Chairman RUBIO. Thank you. I appreciate all four of you being here. I have some questions, and some of them will overlap. But I want to say, so, about a month ago in early July, the week of the Fourth of July, we spent about six days just on a family vacation just down the road in Walton County. It was striking as you drive West, you can sort of see almost the area where the storm came through because suddenly the trees are standing up, and one of the things that we are keeping an eye on very closely is getting some of that money down to the, you know, from FEMA to the State, from the State to the local jurisdictions to do the debris clean up because we are reminded that we are in the middle of a hurricane season.

There is nothing but the grace of God standing between us and a storm next week, God forbid. And so the existence of debris on the ground, even in some places now, poses an ongoing threat, not to mention the strain that it has placed on local Governments. And I wanted to mention that CFO Patronis and I were just talking about that earlier, some of these smaller jurisdictions and mid-sized jurisdictions are operating under tremendous financial constraints given the money they had to put out already just to get the basic operations up and running, and I think it is an important point to make that when FEMA—just on the FEMA side not to mention the agriculture's.

But on the FEMA side, when it pushes that money, it sends it down to the State level, which then has its own internal process. And the purpose of it is good, to avoid somebody showing up five years from now and saying you have got to send us back half the money. We got to kind of find a way to get that done without the time constraints. We are hearing a lot of great announcements about Federal funds being disbursed. A lot of those announcements you are reading in the state are for storms that happened two, three years ago. It cannot take three years, particularly when the local jurisdiction has had to take out lines of credit, in many cases, just to operate and going into budget cycle here now in August in many places.

So, Mr. Myhre, I will begin with you. How would you say this, and we now know it was a Category 5, right. You know, it is funny a lot of people on the ground were saying, if there is a stronger hurricane than this, I mean, we want to know about it. So there is a lot of anecdotal testimony given to us by folks that this was much stronger than what people before said it was and now we know it, now that all the data is in. But how was this storm different from the other disasters that you and the Florida SBDC network had experienced and responded to in the past?

Mr. MYHRE. Well since the fall of 2016, you know, Florida has experienced four hurricanes, with Irma being the largest of the four from a size perspective covering most Florida, coming right up the spine of Florida. Also, you know, measuring in large severity. However, not all Category 5 are the same. If this could measure in

ways of—offer a different scale, this is a 10 in comparison to Irma. Irma certainly created great devastation across all of Florida, but its strength was spread over a much larger geographic area.

This particular hurricane was much more condensed, and it built much faster, and it really built unexpectedly to many of us that were sitting in the State Emergency Operations Center just 48 hours before, not expect anything more than a Category 1. So the preparation for it was not necessarily there. The way that we can expect some of the hurricanes that build off of the Atlantic is they are crossing the Atlantic. We can predict and project, you know, what their strengths are going to be and see that for days and days before they actually arrive.

This one also, in the sense of where it actually struck being a relatively rural area, it just simply wiped out a large geographic area of rural Florida in the Panhandle, and it maintained that strength as it pushed all the way up through the Panhandle. I think most Floridians expect that once it hits the shore in a sense, once it hits the land, that it is going to dissipate. It was still a Category 3 when it got to the Georgia border.

So we are talking about 90 miles inland and it still was quite, you know, heavy and strong. So I don't think the people in Marianna, for example, expected that it was actually going to be as strong as it was. So responding to those particular businesses, in those particular areas it was extremely difficult, especially in the rural areas, and you know, God bless, you know, Gulf Power and the response to the particular hurricane and restoring power or bringing power back to those that could receive it very quickly.

And the areas in which they served was phenomenal. It was close to a miracle. However, in those other rural areas that were not served by Gulf Power or those other, you know utilities that could get there as quickly as Gulf Power and its resources could, it took a long time for those businesses to actually get back those utilities that were necessary for them to reopen. And that was extremely devastating to those businesses.

Chairman RUBIO. Yes. I think you touched on one of the things and that is one thing is when a storm hits anywhere, it is bad. When a storm hits somewhere and actually directly targets the economic engine of the region, it has a much longer impact, whether it is terrorism or agriculture or military installations. Not to just hit an area, but actually goes after or impacts sort of the engines that drive the economy. That is where you have these lingering effects that we are trying to deal with.

I wanted to touch another point you made, you said, according to FEMA, roughly 40 to 60 percent of small businesses do not reopen following a disaster. As we look at that number, what would you say are some of the primary obstacles, primary challenges that lead to this statistic being so high?

Mr. MYHRE. So I quoted the Federal Reserve report earlier and the number one reason is not physical damage, it is actually the foregone revenues, not the assets, that are lost to the business that causes the greatest damage.

Chairman RUBIO. It is customers?

Mr. MYHRE. It is customers. Yes. Yes, and it is also loss of market, loss of revenues, those inflows or cash flows. Most small busi-

nesses do not have more than a couple weeks of reserves, and I would tell you that the majority do not have more than a couple of days. I mean, they are dependent upon yesterday's cash to fund today's, you know, operations. And so closing the business or not having that cash come in, that inflow of cash, is devastating to that business, and every day for that matter, for every hour that they are not open, is devastating to the continuing operation of that business.

So the necessity of getting them that quick capital, that emergency capital to be able to make those repairs, to pay their employees, even when they are not in necessarily operation to retain that workforce, is so essential and if they don't have that quick capital—I mean I have seen small business owners leverage their credit cards and pull out everything that is that they can just be able to do what it is they can do in the immediacy to respond to helping them just keep operations going.

Chairman RUBIO. You know, a lot of the people that we talk to are unaware that the SBA offers non-business-oriented loans to homeowners, and I understand why that is confusing. People may not understand that, but what ideas would you have or suggestions you would make to us on how the SBA could do a better job of getting the word out that SBA disaster loans are also available to homeowners and not just to businesses?

Mr. MYHRE. So it is—you know, working out there in the field, this is one of the few things that I roll up my sleeves and actually get out there and get the nails dirty, your hands dirty in a sense, and working side by side with the folks that are out there, with FEMA and SBA, and listening to what it is and how they are conveying the messaging and the expectations of what individuals and businesses can get from the Government. It is really confusing.

I mean, this typical Government siloing in a sense, and you know, I just have to share, you know, and in a special report that we did, there is this picture of this woman here. This is a picture from Mexico Beach, and this picture represents me walking up to a woman who was talking to a Federal official trying to get information about her home-based business, trying to get some direction about where she should go for assistance. She did not know which route to take, home or business, and by asking questions, that individual all they kept doing is reading from the talking sheets of their one-pager. They simply didn't relate to what the person was asking, and the person started crying. I walked over and I put my arm around her, and I said—you know, I learned her name. Her name is Catherine. Catherine, I don't know if I can answer your questions, but you know what? I am going to find out how we can get answers to your questions. And five minutes of just sitting there listening to her, I learned, I directed her, and we found the answers to her questions.

I don't think that these people when they are out there in the field they are necessarily talking to one another, and I think the terminology or language that they use is extremely governmental, so it doesn't speak to the average individual, the average business owner. I think they need to greatly—for that matter, I think they need to go to their local SBDC and get a little help from their local professional marketing specialist.

Chairman RUBIO. That is a good suggestion. Actually, it will lead me to you, Mr. Rich. You know, I am curious, when you utilize the SBA programs, in your testimony, you were a former loan officer, and yet, despite that work experience, you still found the disaster loan application process difficult to get through. Can you tell us a little bit about what about this application process do you think was the most difficult, and what do you think would be the hardest aspect for someone who would lack your background in finance?

Mr. RICH. Yes, sir. So it is kind of a multi-faceted answer so I will try to answer it as efficiently as I can. Initially, after the storm, our immediate concerns were security of our homes, security of our office, well-being of others to check on them. Immediately after the storm, we were not able to live in the house, initially. We had a place that was over in Walton County that ended up being with traffic. It was about three to four hours to get to Panama City each way every single day.

Now, bear in mind that we also had a curfew in town as well. So we had to have—there are a very limited number of hours that we had of working hours through the day. We were unable to have internet connectivity. No power, no water, any of that. For the first few weeks of the storm, our focus was there and not necessarily the, you know, financial well-being of the business, although at some point in that time period our focus changed. For me to be able to go and talk to the folks about an SBA loan, I had to go—the first time I did it, I had to go wait in the line. I think it is about 40 minutes.

So for me to take 40 minutes out of a 12-hour day that I was trying to get people stood back up, secure our property, and all that, it was a pretty valuable investment of time. So it was difficult to initially to find out about the programs, and the only reason that I really found out about it is because my wife had said something to me about hey, they offer these programs, you might go find out about it and see what it was. But I did not know much about them, was not sure what kind of things they could help with, but at the point where I did decide that I wanted to apply, I talked to a couple of the local representatives.

Johnny Branch and Lynn Eichler were people that I knew in the community, that I trusted, and they were able to relay information to me about the programs and say, hey, this might work for your business, this might help you do this, this might help you do this. And so I decided to apply, and you know, again, I have been a loan officer. I am familiar with the documentation that was required. But bear in mind that I had no internet connectivity. I had a loss of documentation in my office at that time. It was very difficult to get to that information even if I knew what I wanted, you know.

And then initially, I believe the loan program application deadline was, I think, mid to late November initially and then it was extended out to the beginning of December. By the time we had internet connectivity regained, had power back and those sort of things, it left me almost no time to get that information together. I had to make it the priority in my life to do it, right. And so I had a short window of time to get that together. Fortunately, I knew what I was doing. I knew what to look for, and we were able to get the loan going in. And that really was—the technological

problems that we had to find out about the program, to find out, you know, what documentation was required.

The amount of documentation that I was required to get was overwhelming, and I think that given what we have gone through in a disaster situation, I think there has to be a way to streamline what documentation is required because some of that is just unreasonable for us to be able to get together in a short period of time. If you offered the program today, sir, there are plenty of businesses out there that would be able to leverage off the benefits of the SBA loan program. I believe it is a good program.

It just is time-consuming, and is, you know, more involved than I was initially expecting, and I think there are a lot of folks in our community that could benefit from it if some simple changes were made.

Chairman RUBIO. Right. I think you touch on two points in your testimony. One is just awareness. Sort of the sheer volume of different programs that are out there is difficult, especially in the aftermath of the storm where it is harder than ever to communicate sort of these sorts of things. Just knowing it is out there is the first thing, and something we will have to look at too, how we can create greater pre-event awareness of it. And the second is just even if you know it is there, utilizing it. And then so, you remind me of a story.

After Irma, we were down in one of the communities in the Florida Keys and people were trying to apply for things. It may not have been with the SBA. It might have been a FEMA-related claim. And so FEMA, their thing was you have got to either email it, or I think they said you have to fax us the form, and I am like, well, there is no power. Well, that is the only way to take it. So that, you know, we do not take paper stuff. It has got to be online or, so there is a challenge there that some of the basic things we take for granted.

Mr. RICH. Yes. I had to fax something to the SBA as part of my loan application, and for me to find a working fax machine in Bay County in November was crazy. I mean I ended up finding one somehow. One of the UPS stores had a working fax. I think they charged me $15 to fax something.

Chairman RUBIO. Patronis' left eye, well that is gouging.

[Laughter.]

Well, we will report that, but it is hard to find a fax machine anywhere anyway, so to begin with. And then just things we take for granted. How much of the files and records that people have today are stored electronically as opposed to in a paper cabinet somewhere? That is also something we take for granted. So the sorts of things that on a daily basis or not a big deal because you just do not think about it, suddenly you come to appreciate because you do not have power, and even if you have power, you do not have reliable communication or the ability to go online and find it.

So that is an issue. I did want to ask sort of assuming all that was in place, and then the deadlines, as you said, I mean there does not seem to be a lot of synergy between the time, the power, and communication is restored, and the deadlines. They all invariably become extended, but they are not necessarily other than some—because somebody asked for it to be extended, not because

we sort of build it into the matrix that you want to, you know, when you set the deadlines by when people who might need this program can actually use it. But assuming all that gets in place, one of the things I am curious about exploring, just to get your take on it giving your line of work and your experiences, eventually post-event, far enough that people have access to some basic things, some sort of a mobile app for SBA disaster loan assistance. So a one-stop-shop type mobile app that might make it easier for someone so they do not have to make that sort of drive, but can actually from a mobile device, not even, you know, a standalone computer, be able to at least get their name in the queue and get information access.

Do you think that is an idea that is worthy of exploration, obviously, assuming, you know, that your internet connection is up, and your mobile devices are working, and then you have got power to charge it?

Mr. RICH. Yes, sir. And I do think that the app would create a couple of benefits for sure, the first of which is getting to a computer in a post-storm situation like that would be difficult. A lot of the computers that we had in the office and the house were damaged, and so everybody always has their phones on them. So it is something that is actively on you. The likelihood of it being damaged is minimized, and plus the internet, you know, plus users nowadays, about 65 to 70 percent of all internet users use a mobile platform anyway. And so that is a preferred method for folks to be able to get information, and it is right there at the tip of your fingers. The other thing that it can do for you as well is push notifications, and so as I am progressing through the loan process, I am working toward application. It can push information out, tell me about deadlines, do those sort of things.

So I think that that would potentially be very beneficial in those couple of ways. If you parlayed that into another idea that I have thrown around here locally is to create oasis hotspot zones throughout the city in order to mitigate issues in future storms. If you had strategic locations that maybe there were a dozen oases throughout the city that citizens knew in a storm situation that they could go to get connectivity, has underground fiber, you know, underground gas to power, a generator, you know, Wi-Fi hotspot there, you could have folks gathered at those places from the SBA to disseminate information about it. It could prompt them to install the app.

There are a lot of technological things that we could do if we created these oases throughout the city, not just here but anywhere, so that citizens know that in the case of, you know, a bad situation like what we went through, they have a place they can go to and get connectivity, and check on loved ones, and make sure they are okay, and know, because we were not able to do that. You know, and that is the most basic level of communication we have, and we did not have it for weeks.

So yes, it certainly is, you know, the app is a big help and I think there are ways to combine that with other thoughts to really improve the disaster response.

Chairman RUBIO. Yes. Again, it is sort of where disaster response is lagging behind the world we live in today, and you know, one of the local television stations here, how I kept up with what

was happening on the ground was they were broadcasting during the middle of the storm on Facebook live, and I was watching it on a mobile device of all things, obviously.

But the sheer volume of transactions, not to mention the way people are gathering and communicating on information, is increasingly moving toward that mobile device, and less and less from a standalone device much less—you know, even the television. Although I must say I envy that screen right there with football season just around the corner. Where did they buy that thing?

[Laughter.]

But the sheer amount of television broadcast information that is being consumed on a mobile device. Even just getting information out about everyday topics to the general public, allowing people to sign up for alerts from the local Government, all sorts of things. And I think Government certainly is behind the curve on moving to some of that. I wanted to ask you what about one more thing and that is the disbursement process. Was it in line with what you were expecting in terms of the from application to the disbursement?

Mr. RICH. It was not, sir. And that was, I think, probably my thing about the SBA loan process that maybe I was most surprised with. We initially got a small disbursement upon loan closing. I am very good at filling out paperwork. I get things back as soon as people ask for it and all that, and I have done so the entire process.

Chairman RUBIO. How was it disbursed? Was it a paper check? Was it an electronic check?

Mr. RICH. The first one was a paper check. The second batch in——

Chairman RUBIO. In the mail?

Mr. RICH. Yes, sir.

Chairman RUBIO. Okay.

Mr. RICH. Yes. So the first one was a paper check——

Chairman RUBIO. As opposed to like just sending it to you on a mobile app?

Mr. RICH. Well, I had—it is funny you asked because I had an electronic deposit form that I filled out. I had emailed it to them. They told me that I had to get it to them through fax and that was part of the faxed paperwork that I sent through. Upon faxing it, I still did not—it did not get to the right department, and so when I came to get the second disbursement, they still did not have the right electronic form.

So I then had to figure it all out again and fill out again to do that. But again, that was just kind of the disconnect on the SBA side, that way. But yes about the timeline, and when we got that initial disbursement, I guess I did not understand why or how they do not disburse the entire amount, because when we were in the situation we were in, it was really what we needed. You know, I would not have asked for the money if I did not need it then, right. And so we had to wait for a majority of the money that we got from the SBA loan until the beginning of March.

And so it was five months after Hurricane Michael before I got really the lump sum of the SBA money, which at that time it still helped, but I could have responded so much faster to fixing our

building, getting our business back on track, if I would have had it in middle of December when we closed on the loan.

I just do not understand why there is, where there is an initial amount, and then you get the remaining portion of it. I think that is maybe something we could look at and change because the folks that go through what we went through—I mean, there is a reason we ask for the money, and that we need it, and we can be whole again. And by the time I had the money, contractors were backed up months. And I mean like three to six months for folks to do things. And again, we still have repairs on our building that we need to make. It is non-essential stuff, but I would like to be whole again at some point.

Chairman RUBIO. And, Mr. Myhre, I know that is not your department, but do you have any insight? Have you heard the same complaint about the disbursement process?

Mr. MYHRE. Yes, and I mean it is, you know—and I think you actually are probably one of those better positions. I mean some of the horror stories we hear, there are still businesses that are still going through that process of, you know, SBA coming back and asking for additional documentation, or, you know, it is in this department, and it needs to go back to this department because they, you know, changed a letter or word, you know, somewhere in the documentation.

There are horror stories out there, you know, and we have tried to create a liaison within, you know, to try to be responsive to the businesses in which the SBDC is working with as they come to us expressing those frustrations and the Office of Disaster Assistance. That has worked pretty well in finding out what the root causes are and trying to respond to them and those particular issues. But this is a key reason on why many businesses don't go to SBA after a disaster and seek business disaster assistance.

The study that we did with the Federal Reserve actually showed that half of the businesses go to other means because of the need for the quick capital. They go to the private sector, even if it is more expensive for them to seek that disaster assistance for capital, they will go to the private sector and find it, rather than go through the Government processes knowing that it is going to take a long time and who knows whether or not they are going to be successful.

Chairman RUBIO. Yes. It is funny though if you owe the Government money, they move pretty quickly on that stuff.

[Laughter.]

You have noticed that the payment systems are faster than the payout system. And Colonel, let's talk a little bit about, I mean, it is impossible to be anywhere near here and not hear the mention of Tyndall. In fact, if there has been no benefit to the storm but I will say there is a very thin silver lining that has given us the opportunity to express to our colleagues the importance of this facility. And as more of my colleagues around the country have sort of learned the unique mission and the strategic importance from a geographic standpoint of the facility. That has been good. It has been good to see the words Tyndall out of the mouth of the Vice President, out of mouth of the President, because ultimately the more attention you get, the more people know how important you

are, and the more committed they become to being a part of rebuilding it because of its unique mission and its unique location.

And there are a lot of reasons why the location is unique. Some of it, we don't discuss, publicly others you can, but the point being we are really blessed to have it not just here in Florida, but for the Nation. And I think this is not an audience that needs to be told the economics attached to the base and why it matters, but I do think people are very curious to see what the years to come, assuming everything continues the way it should, you know, the appropriate funding. You know, we hope to pass an appropriations bill as opposed to a continuing resolution because it allows us to program and contract and plan out moving forward.

So assuming all that continues to move forward, the F–35 program continues on pace and so forth, what happens over the next three to five years? What is it going to look like? What is it going to feel like, because I think people are really—they need to see that future that lies ahead and to get excited about it. So if you can walk us through a little bit about what the future looks like for Tyndall and how things are going to progress, assuming we do our job and get things done?

Colonel LAIDLAW. Yes, sir. Thank you for the opportunity to answer that question. I will say, most probably agree that the initial recovery at the base was incredibly fast. The Air Force and many others jumped in to get us aid as quickly as they possibly could. And I will tell you that we have done the best that we can, boots on the ground, to maintain that momentum for the last 10 months. But as you alluded to earlier and as some of my colleagues here alluded to earlier, it is never fast enough.

So we are doing the best we can to maintain that momentum. I will say that some of the things that we have accomplished over the last 10 months I think are indicative of what we can expect, at least for the foreseeable future here. And I would like to share some of the things that we have done. I will say first that we met or exceeded all the Secretary of the Air Force's aggressive timelines from mission restoration across our many mission sets at the base. We have most of our people back doing the missions that they were doing.

So a lot of the things, to your point, that we have done for a long time at Tyndall, we will continue to do at Tyndall because it is such a unique base that does so much for our Nation. I would say in less than six months, we completed a master plan. It would normally take us 18 months. So that master plan maps out where we intend to take the base to ensure its relevance and its ability to increase readiness across the force for the future. We have identified our requirements and are on track toward $648 million in recovery and repair projects by the end of September. So you are going to see an increase in construction. A lot of work going on at the base——

Chairman RUBIO. Just go into detail about the kinds of construction that we are talking about, the housing, the operational buildings?

Colonel LAIDLAW. Yes, sir. So I would say divide them into two categories. As you are well aware, we have got FSRM type projects. So those are our recovery type projects, buildings that we know we

are going to keep need new roofs, need of replacement, those types of projects. Those are ongoing and they have been ongoing for the last 10 months.

With the additional money that we got during the supplemental that enabled us to continue with that long list of projects that we had, we had put some on hold for a while as we waited for the supplemental, but we are back doing those again. The second type of construction——

Chairman RUBIO. I hate to interrupt you. On the rebuild, are we rebuilding to a standard that would withstand, more resilient to future storm event?

Colonel LAIDLAW. In terms of what standards we are rebuilding to?

Chairman RUBIO. Yes.

Colonel LAIDLAW. Yes, sir. Great question. So what I will say, as part of the process of building that master plan, one of the things I asked my team to do was to travel down to South Florida. We talked to the city planners in Miami-Dade County. We talked to Homestead Air Force Base. We ask them, how do they design their buildings? What are the various wind loads that you do in an area that is very prone to high winds and big storms? We have baked all of those lessons learned into the project list that we built into, we call them the 1391s. That is the blueprint for the projects that we have.

And on August 5th, we submitted to the Congress, our list of rebuild projects, which are in that second batch, which is the military construction. Our estimate right now is that the cost to rebuild the roughly half buildings that we lost in the base is approximately $3 billion, and assuming we get the funding required to make that happen, we think we can do that in about 5 to 7 years on the base.

Chairman RUBIO. Okay. You were saying the second bucket?

Colonel LAIDLAW. Yes, sir, that was the military construction bucket. So, right, the FSRM is predominately what you see going on the base today, all the repairs that are going on. We hope to get into the design phase next for the military construction, and then for the next five to seven years is when you will actually see the new buildings start to pop up from scratch.

Chairman RUBIO. Including an order to serve us the new F–35 mission?

Colonel LAIDLAW. Yes, sir. So a lot of people ask the question, how long will it be before you get full recovery at the base? And I think full recovery is going to mean different things to different missions and different people at the base. There are certain fence posts that we have to meet. Our secretary has told us to be ready for the first F–35A aircraft arrival in the fall of 2023. What that is going to do is drive a certain minimum number of military construction projects that we need to prioritize with the funding that we do get to enable that we can meet that mission set for our Air Force. So projects like that, we will be ready, and we can manipulate our timeline to ensure that.

Chairman RUBIO. Now, if you could describe, and I mean obviously there are significant operational differences between the 35 and the 22, but what does it mean to this operation, the personnel levels, the mission set, how does that mission look different, an F–

35-focused mission compared to the mission we currently have and before?

Colonel LAIDLAW. Yes, sir. Sir, so what I would say to most of the local community, most of the base population, the differences in mission between the F–35 and the F–22 are going to be largely transparent. That does not mean to imply that the aircraft do the same things. They are both designed to do completely different things from an operational perspective and what they do for our Air Force, but as you are well aware, since 1951, Tyndall Air Force Base has been a fighter base.

We hosted every generation of fighters, from the Korean War era to the century series aircraft, a long time fourth-generation fighter base with F–15s and F–16s. We have had F–22s at the base, fifth-generation fighters at the base. So to the majority of people who live at the base, work at the base, around the base, they are just going to see fighters operating in large numbers at Tyndall like they always have since 1951 at Tyndall Air Force.

Chairman RUBIO. But in terms of the economic impact of the operation, given not just the nature of the fighter but its technological advancement, will it require more—will it mean more people, more personnel, the sort of things that could have a positive impact, not to mention you want to be associated with an ongoing and existing and funded program, and not a legacy platform or something that is flattened out.

So just economics, what it would mean because you can make the argument, could you not, that being tied to—I know you have flown the 22, but does it tie to the 35 given the fact that it is the crown jewel of our system? And multiple branches and partner nations are using it. I would argue for the long-term viability in the economy locally is a positive development. So what does that look like economically in terms of long-term number of people, visitors, things of that nature?

Colonel LAIDLAW. Yes, sir. A lot baked into your question there. I will start by saying in terms of economic impact, as we look back at the last three times that we have done a detailed economic impact analysis at the base, the sort of seven-year period prior to the storm, what we found is we very consistently contribute about $600 million a year to the local economy using the Commerce Department standards for calculation.

A significant factor that contributes to that overall economic impact is the base population, both between our payrolls that we have a number of people assigned, as well as the number of indirect jobs that that base population supports in the local community. As we look to bed down up to three squadrons of F–35As, according to the Secretary of the Air Force's timeline, we are going to go through a detailed process that steps through all of what those requirements are. And what one of those—part of that process does involve personnel, how many people is it going to take to do it.

So I don't know at this point what the exact number is going to be. Initial estimates that I have seen for the MQ, between the MQ–9 potentially bedding down at the base and the F–35 potentially bedding down at the base, each of those programs will probably be somewhere between 1,200 and 1,800 additional people coming to the base that are, it may not be all of them, but—so we will figure

those numbers out as we go through that process. We are not there now but suffice to say it will be more people on Tyndall Air Force Base in the future than we have on Tyndall Air Force Base today.

And more people equates to, according to the Commerce Department's calculus, more of an economic impact. I would say I think it would be premature at this time for me to try to speculate on exactly how many people, and put those numbers through the calculators, and give out an overall economic impact. What I will say is, as we look to bridge from where we are today to what those future missions will look like, as we go through that rebuild that we talked about—I did ask our team to crunch some of those numbers. What do we think the economic impact is going to be in 2019?

So as you look at the influx of contractors, the influx of construction, we expect the impact this year alone to be over $1 billion. So what I would say is we have always had a significant impact. I expect a bump over the near term just based on the reality of where we are. And as we look to the long term, there are no indications that that economic impact is going to decrease in any way. If anything, I think it would be a much safer to suggest it is probably going to increase.

Chairman RUBIO. And I am only asking because I know there is still, for the layman, the everyday person, the fear is that, you know, Tyndall, God forbid, could be taken away or downsized, and what I hope people will take away is that if we can continue forward and stay focused on the mission that has been created and plan for it long term, obviously Congress has to do its part to step up and fund it, make it work, we are going to see a combination of things that are going to be positive for the region.

In the short term, there is a lot of work associated with the rebuild because I imagine all of this construction will require local sourcing so there will be a sort of a short-term rebuild boost that comes from it. And in the long term, a larger, at some number—it will actually be a bigger base tied to a program that is critical to our national security with a lot of new buildings and recent spending, thereby sort of locking in the future of the base for the foreseeable future in a way that should give the community a sense of security. Again, we got to do our job and make sure this is funded. We cannot mess it up by creating inconsistent funding streams that delay us in any way.

But this, if it works, won't just be as good as—it is safe to say that if it all works out, I am going to say it anyway because I think it is true, Tyndall will not just be as good as it used to be, it will be bigger and better and more important than it was before the storm. And I think that is a very positive development for the community. And that is why I think it is important to talk about that and point to it. I wanted to ask you one more question. You have many dedicated and you have many talented service members who call this area home, many of them come back and so forth.

Tell us a little about how they are doing. They were also uprooted and disrupted and offer any personal stories that you may think about, without violating anybody's privacy though, that will sort of help draw attention not just to the area but to the kind of people that serve our Nation in uniform or support those serving in uniform.

Colonel LAIDLAW. Yes, sir. Thank you very much for asking that question. I will say we do have many dedicated talented service members who do call this area home, and I am proud of every single one of them for what we have been. The Airmen and their families who I talk to every day truly express a sense of purpose and show so much resilience, but in reality, this is true for our friends and neighbors in the local community as well.

We are absolutely in this together, but I think all of us both inside the gate and outside the gate will admit that it has been a long 10 months. I really would like to share just a few examples that I think represent stories that are repeated across Bay County for us, our friends, and our neighbors. Like, for example, Senior Airman Ingle and his wife Libby, they were expecting their first child when the storm severely damaged their off-base home. Like so many others in our community, the Ingles lived in a 5th wheel camper in their driveway until they had the opportunity to fix their house. Thankfully their family of three now is moved back into their house and they are doing very well.

Another example is Staff Sergeant Monroe. He and his family of seven used to live on base, and like all base residents after the storm, they had to relocate when the storm destroyed their home. The Monroes are actually now a family of eight and the decision they made is they decided to buy a house. They bought a new house here in Bay County and the family of eight, the Monroes, they are doing great today as well. We have got others like Sergeant Simmons and his family. He has got a wife and a daughter. Despite the damage to their home downtown, they recognize the need and they opened their doors and they provide quarters for some of our single Airmen who we needed on the base.

A story I like to tell is some of our support Squadron Commanders. They used to be neighbors on base, in base housing. After the storm, they salvaged what they could from their homes, and then they moved their families to another location so that they could concentrate on recovering the base just temporarily. These Commanders became neighbors again, this time in our base campground. They chose to live in RVs. This kept them closer to the base so that they could continue to lead their Airmen. We also have a young Lieutenant who is a Finance Officer and she also happens to be a single mom. When the storm damaged her home, she chose to take her daughter up North to live with her grandmother for a short time. We needed her at Tyndall to help our Airmen and their families to make sure that they got paid after the storm.

Today, Lieutenant Evora is back in our house and so is her daughter, and she just started pre-k two days ago here in one of Bay County's schools. They too are also doing very well. So, yes, sir, I appreciate the question. It has been a challenging 10 months for so many of us who live here in Bay County. However, the words I rarely hear in this town are, I need. Instead, everywhere I go I continue to hear, how can I help? The spirit of resilience and sense of purpose, I think, bodes well both for the future of Tyndall Air Force Base and for the community that we are lucky enough to call home. So thank you, sir, for that question. I appreciate that.

Chairman RUBIO. Thank you, and just as a side note, on behalf of our local restaurants and pubs and other facilities, they want to know if the F–35 pilots are as rowdy as the F–22 pilots?

[Laughter.]

Colonel LAIDLAW. Sir, I will take that one for the record.

[Laughter.]

Chairman RUBIO. Well, we can't wait till they are here. And Speaker Bense, I wanted to—I would love to hear a little bit more about just, you know, what life is like for people in business and the community, and again, it is not that this community needs to be educated about what life was like in those early days, but if you could tell us what was it that you saw in those early days after the storm that led you to start up Rebuild 850?

Mr. BENSE. Clearly a lot of devastation. There is still a lot of devastation out there. The world has changed a lot around here, and Colonel, thank you again for what you are doing at Tyndall. Ultimately the base will be beautiful and state of the art, which is going to be great for our community. I know, we all here know how much Tyndall does for our community. Thank you very much for what you are doing. It is still complicated around here. We have people that have not gotten their insurance settlements, or, if you could slap the insurance companies around a little bit, that would be very helpful. I am saying that in jest. Well, I don't know, some of these folks may say——

[Laughter.]

But I mean just delayed settlements are keeping people from rebuilding their home. That is difficult. A lot of homes have not even begun to be rebuilt, not just because of insurance but because they had no insurance. They are lost. They are living in 5th wheel campers. They are living in RVs. Again, it is three to five years. I just saw a lot of bad things going on and knew that just to tell you how much the rest of the State does not understand about what happened here. We did a survey, 850 did a survey, 47 percent of the people in Florida do not even know we had a Category 5 hurricane. They do not understand that. And by the way, your efforts to get that upgraded to a Category 5, I know that is not easy.

Chairman RUBIO. We tried for 6 but they didn't have that so.

[Laughter.]

Mr. BENSE. It is not as easy as everyone thought it was, and I know you were at the forefront. And that is, as we all know in this room, getting a bump to a Category 5 was very big and very important for us. But 47 percent of the people do not understand we had a Category 5 hurricane, 55 percent of the people in Florida think we are already rebuilt, that everything is all wonderful. I would be inclined to say that probably, and the Colonel knows more about that than I do, we are still probably maybe at best 50 percent rebuilt.

And when asked if they would contribute money to help Northwest Florida, only 23 percent of the people said they would help. So we are clearly off everyone's map, and we are off everyone's radar map. We were already having a hard time to begin with because of our regional proximity within the State but that is what really pushed us to get Rebuild 850 started, and to try to bring, frankly, money from other parts of the State, big money, that can

be used to help locals. So we have a long way to go. It is tough. The workforce is difficult.

A lot of out-of-town laborers that are here, but we need more. It is just—I am not trying to be all doom and gloom. It clearly is better now than it was 10 months ago, but we have got a long way to go.

Chairman RUBIO. Yes, and that is the second point I wanted to touch on just because I know you have been in business for a long time, particularly in contracting work. You have heard the Colonel talk about all the work that is going to be happening on the base over the next five to seven years, plus all the general need for rebuilding and the like, and it is kind of a catch-22. You cannot rebuild the housing without the labor, but you cannot find the labor without the housing.

Mr. BENSE. That is right.

Chairman RUBIO. And I am not sure what work can be done or anyone is looking at how to sort of square that up because that is going to be a huge challenge in the years to come. I know talking to the Department of Defense, one of our concerns, and other local projects, is the flexibility. You know, we have the big shipbuilding contract not far from where we are sitting and that has been something we have been fighting, working on, is we need flexibility in these programs because labor costs have gone up, availability of labor, the schedules are harder to keep. It is harder to stay on track when you don't have enough workers, but those workers themselves have been displaced and have things going on.

So I just view that as one of the—we can provide all the money in the world to some extent, but if the labor is not there, you cannot mechanically get the job done because of these underlying facts. It is going to delay everything and potentially threaten it. Is anyone sort of looking at how to make that function, because it sounds like one of the real things we should be concerned about.

Mr. BENSE. I think you have got to give some of them, especially housing agencies, some flexibility. I have a saying, and many people think I am crazy when I say it, and that is in my businesses, a bad decision beats no decision. And they say, what? Because generally speaking people are going to make the right decision. They are going to make the correct decision. If you do not make decisions in life or in business, you are never going to be successful. And if I am not around to answer a question, I give the flexibility, you make the decision, and 9 out of 10 times they make the right decision.

But you have got to give your HUD folks, you have got to give those folks, a little bit of leeway to make quicker and better decisions. Will some of them be wrong? Sure and I know in Governments it is very difficult if you make a bad decision, you know, your head comes off the chopping block. But I would push that, you know, make decisions. If they are not perfect, look we will give you a pass, but there are folks out there that are hurting.

Chairman RUBIO. Well, I know we are almost out of the time that we have allotted for this, and I want to thank everybody that has been a part of this and has been here today. You know this—you talked about the sort of forgotten nature of the storm. I think perhaps maybe to explain that, while I do think that the geography

and location of Northwest Florida have contributed to it, in general, we live in a society where, my goodness, I mean whatever was leading the headlines a week ago is very different within 72 hours and moves along very quickly.

It is one of the things I have said, but the problem is that, and even after you cosmetically recover, like there are no holes on the ground, people have electricity, these storms leave behind these deep economic scars that sometimes alter a community. I can tell you from being in South Florida. I was in Government then, but we lived through Andrew, you know, the loss of Homestead Air Force Base. To this day, South Dade is recovering from the impact of it. They lost—the Cleveland Indians left. They were supposed to go there for spring ball.

So to this day, you can point to things that happen in that community as a result of it, and that is just one example. There are other places where the very character and nature of a community is altered by these storms in ways that do not necessarily play out very easily or are easy to explain on television but have a permanent effect on a region for years to come. The one thing I will tell you in the visits that I have had up here in the time that I have been able to stay here, and by the way, we have been coming to this part of the State about every other Fourth of July for over a decade so we do have a point of comparison for it, and is that the one thing you do have going for you is a tremendous sense of community, and that really matters. People are deeply anchored in the community, and many for generations and they want to fight not just to preserve it but to continue to grow it and to expand it. And that makes all the difference in the world. People want to stay here.

Frankly, I think more people are going to want to come here if things get right, and so that is a big part of it. And the other is the gaps that Government doesn't fill, and that is, and you have described it somewhat, Colonel, and a lot in your testimony that you gave about some of the servicemen and -women who wear uniform and those who support them as well, the neighbor taking care of neighbor as if they were family. That that part of it, no Government is telling you to do that, you do it because it is the right thing to do. And this part of our State has that in abundance. And without those two things, that deep sense of community and that sort of people taking it upon themselves to offer assistance to others, things would have been far worse than they are.

And I think those are the two things that are going to help the region not just rebuild but be stronger than ever. And so, what I said at the beginning and I mean it, this is not going to be the Forgotten Coast. There is too much happening here that is of importance of the country and to the State for that matter, but we got to stay on it and that means stay on in Washington to make sure that the funds are flowing and that the programs are being prioritized, stay on it to improve our systems because it is possible that we could face other challenges over the next five to seven while the rebuild is still taking place so we are going to have to jump all over and make sure it doesn't get in the way. And when it comes to small business, not just to the ones who have been able to survive, but the new ones that are going to be started.

We have an obligation as well to ensure not just that the recovery moves forward, but that we improve the ways these programs work so that they are easier to access, that they are easier to use, that they become useful, that people don't have to sort of look out for what we get when these storms happen and they deploy a bunch of folks from behind the desk to come down and be of help, and we do not begrudge anyone, but in the customer service business, you got to be able to talk to people in a language that makes sense as opposed to reading from a manual.

So we do have ways that we need to improve in terms of providing people knowledge and awareness not just about what is out there, but helping them to navigate it, and not just handing them a pamphlet. So we have got a lot of work to do in terms of what this committee has jurisdiction over with the SBA, and then not just for the Senate but the State along with Senator Scott, it is a priority for both of us. He is going to be here in a couple of weeks as well. I believe doing a roundtable at Tyndall. And every chance we get to talk to the President, we are going to remind them of the region and the importance of it.

It was great to see Air Force One touch down here not too long ago because it proves the runway is long enough and just to be able to tour it. And those things really matter. They are important and we are going to continue to work on that. And we are fortunate that we have strong bipartisan support. The Chairwoman of the Military Construction Committee is from the Democratic party. She is from Florida, Debbie Wasserman Schultz. She is committed to it. She is from Florida. So that helps. I mean, these are not partisan issues. There is a State commitment to this that all of our delegation across the State is committed to and that is very helpful. And the chairman of the Relevant Funding committee in the Senate is a good friend of mine, Senator Boozman, who has made a commitment to being helpful to us as well.

So, like I said, we have a lot to be optimistic about. We have a lot of work to do, but your testimony here today is very important. It will be part of the record as we work. And what we will do, so you know, is the testimonies is what we point to when we make legislative proposals to our colleagues. So they understand where it came from. It is not something we made up. It is something that came from direct testimony.

And so that is why it is important. I would add here in closing, and this is important, the record is going to remain open for two weeks for this hearing and if any members of the committee have any questions that they may have, they will provide it to us and to the extent you are able to answer them so they can become part of the record. We ask for your help to make it easy.

If you want to make any additional statements for the record that you were not able to make here today, something that came to mind after the fact, submit that to us as well so we can make sure it is part of the record because we do use that record. We point to it every time when we do something or we propose something, we point to it and say, this is where it came from, and it makes it easier.

So that record is going to remain open until the 28th of August at 5:00 p.m., 5:00 p.m. Eastern time, 4:00 p.m. for you guys.

So with that, thank you so much, everybody, for being here. We appreciate it. And with that, the hearing is adjourned.

[Whereupon, at 12:15 p.m., the hearing was adjourned.]

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