

Mr. Chairman and Ranking Member Schrader, thank you for inviting me to tell my story about the flood caused by Tropical Storm Lee.

My name is Gino Tighe and I manage sales for our family business GT Fabrication Inc, a precision metal fabricating and powder business. My parents Gene and Debbie Tighe started the company more than twenty years ago, and my sister Tracy and I have joined the family operation. Our company has had its ups and downs. We have supplied large clients such as PRIDE Mobility and Golden Technologies. However, with competition from countries like China, we lost many of our main consumers. We had to adapt, so we widened our customer base to produce more products in new industries such as food and drug, material handling, trucking, military, packaging equipment, construction, architecture, foundry, parks and recreation, and even highway transportation. Our family business has survived many hurdles, but, most recently, a natural disaster threatened to close our doors.

My story begins on September 7, 2011 at 2:00 p.m. The National Oceanic and Atmospheric Association (NOAA) projected that the Susquehanna River would rise to 35 feet by 3:00 pm the next day, Thursday, September 8. Two and half hours later, on September 7, at 4:30pm, NOAA changed their prediction, bumping it up to 38 feet by 3:00 pm.

On September 7, my family and I knew that our company would face heavy damages because our building is located about 100 yards from the Susquehanna River in Pittston, Pennsylvania. We knew that we couldn't move some of our equipment. We had six machines in excess of 25,000 pounds. So, we started moving the smaller equipment: materials, computers, etc. We worked through the night moving pallets and pallets of materials to our back building, which was built four feet higher because of past floods. We stored materials on pallet racking to try to keep them out of harm's way.

After working through the night, by September 8th at 8:00 am, the water crept into our parking lot. By 9:00 am, we had 12 inches of water in our downstairs building. We did all we could and exited the facility. Water levels were rising at break neck speeds. The river hadn't ever risen so quickly and we had survived four previous floods. With millions of dollars of equipment still left in the building. After paying \$15,000 for flood insurance, we only could receive \$500,000 in contents and \$500,000 on building FEMA insurance. We knew we were in trouble.

By the time the Susquehanna River crested at 1:00am on Saturday, September 9th, all I could see of GT Fabrication was the very top of our building. My family and I were devastated. Our 30 employees were devastated. We didn't know if our family business could survive this. The watermark on the GT Fabrication lower building was recorded at 15 feet. Our back building, which we raised 4 feet to serve as a precaution against future floods, had a watermark recorded at 9 feet.

On September 10, almost two days after the flooding began; the water finally receded to twelve inches. I entered the building to see the damage. As soon as I got into the building my heart sank, the destruction and devastation that this flood caused was by far the worst it's ever been. I really couldn't believe what I was seeing. It looked like a bomb was off. The lobby and office were completely collapsed.

My family, friends, and some of our employees were outside waiting for me to tell them the news. All I could say was "It's bad, but we'll bounce back," but they had no idea. I pulled my father aside to warn him that we have a lot of work ahead of us if we want to stay in business. I could see defeat in his eyes. The business he had built from the ground up was wiped out just like that.

The next day, we immediately ordered three 40-yard trash hoppers, a three-phase generator, power washers, brooms, etc. We spent tens of thousands of dollars to start the clean up process. We had to dry, gut, and clean both buildings. Almost everything was destroyed.

At the exact same time, we also had to do damage control with our customers. We had to outsource all of our work to finish our pending orders. We set our customers up with other vendors, our competitors, until GT Fabrication could get back up on its feet.

I entered disaster mode. We desperately needed financial help because we weren't conducting any business and draining the company's funds on the clean-up effort. I attended meetings at our local Chamber of Commerce. Here, I spoke to a Small Business Administration (SBA) disaster representative, who told me to quickly complete the application. As soon as I could fill out the documents, I brought the paperwork to the Wilkes-Barre SBA disaster site. They looked everything over and told me I was missing a couple of minor documents. I immediately brought the missing documents to the SBA disaster site. SBA reviewed my complete application, which included tax form 8821. The SBA official even complimented me on my thorough completion of the application.

We went home to keep cleaning. We throw away almost one million dollars of supplies, and demolished the inside lobby and office. After two to three weeks of this back-breaking cleaning, an SBA field inspector, Mr. James Heller visited GT Fabrication to assess the damages and take pictures. A few days after the inspector's visit, we received an SBA disaster assistance packet, which stating they wanted us to provide monthly sales figures for past three years. Additionally, SBA needed tax form 8821 which requires tax information from both GT Fabrications 2009-2010 business taxes and my father's 2009-2010 personal taxes and financial statements. My father, who owns 100 percent of GT Fabrication, signed tax form 8821 along with the signature of GT Fabrication Incorporated and provided a schedule of liabilities for the second time.

More than a month after filing our original application, we received an SBA request to complete tax form 8821, for the third time, to include both of my parents' signatures, GT Fabrication INC., signature and the same schedule of liabilities. This time we included a letter stating that we had completed this document three times already.

Approximately seven days after we completed tax from 8821, for the third time, my mother Debbie Tighe received a phone call from an SBA official named Randi Anderson. Ms. Anderson told my mother that GT Fabrication's application was being withdrawn because we did not return the requested forms within the seven days. My mother tried to explain to Ms. Anderson that we received the forms four days after the letter was dated. She also explained that we returned the forms five days after receiving the documents. Additionally, she suggested that if it took four days for the SBA letter to arrive in Pittston, Pennsylvania, it would probably take four day for the letter to get back to Texas. Finally, I

couldn't believe that the SBA was counting a Sunday, when the postal service doesn't deliver mail, as our deadline. We felt that the time frame was unfair, but Ms. Anderson just said "that's the way it is."

I couldn't believe that this is the way it is. When you're in disaster mode, working 15 hours a day, seven days a week, to save your family business, you don't have time to do all of this paperwork, especially after many of GT Fabrication's old records were destroyed by fifteen feet of water during the flood. Regardless, we provided the SBA with all of the information they needed as quickly as I could. We thought that maybe the SBA was trying to purposefully discourage us from applying for an SBA loan.

Later, we received a phone call from the National Flood Insurance Program, stating that the SBA had contacted them requesting information about the types and amount of insurance coverage GT Fabrication has. Unfortunately, we had previously cancelled GT Fabrication's business interruption insurance because we knew, from four previous flood experiences, that our flood insurance would cancel out any business interruption insurance benefits. I was frustrated that SBA contacted my insurance company without telling me or getting my permission.

Despite Ms. Anderson's decision to withdraw our application, we received another call from her. Her information showed that we only had \$79,000 in damages. We tried to explain that our equipment alone was valued in excess of two million dollars, and we wanted to know where she was getting the \$79,000 figure. However, she could not tell us. She requested a copy of what was destroyed and a copy of our flood insurance payout.

We provided the SBA the exact same documents we provided the Federal Emergency Management Agency (FEMA), detailing all of the equipment we lost. She again asked for the monthly sales figures for the past three years to qualify for the Economic Injury Disaster Loan. We explained that we were not applying for the Economic Injury Disaster Loan, but a loan for purchasing equipment and machinery for our business. Ms. Anderson explained that the type of loan didn't matter; she still need the monthly sales numbers. I tried to explain that our business office and all of our records were destroyed by the flood.

On November 25, for the fourth time, we received a letter requesting tax form 8821 and the monthly sales figures. I felt like we were pawns in some kind of game. We were going through all of this trouble and aggravation for a 6 percent loan.

We had to find something else in the meantime. GT Fabrication still was not regular business and we had not yet received a SBA loan. The company bank account was running dry.

Then, Pennsylvania State Senator John Yudichak, called to tell us about the Luzerne County Flood Recovery Loan Program. This is a \$4 million low-interest loan program that has a borrowing limit of \$100,000. The Program applies a 1 percent interest rate with no borrower's fee. This quick and easy loan saved GT Fabrications by providing us an infusion of cash needed to get back on our feet.

Today, GT Fabrication is back in business though we are only operating at 70 percent. I have been able to get almost two-thirds of my employees back to work. We need to return to 100 percent and grow

our business so that we can turn this economy around. Its small businesses like my families that will add jobs to the U.S. economy, but the U.S. government wouldn't help GT Fabrication.

The City of Pittston has been very helpful, retaining Cowbell Consultants to help us try to relocate to larger facility that is a safe distance from the Susquehanna River. The County of Luzerne provided us the loan that saved our business, but the federal government failed. I hope that my story can shed some light on the problems that my family's small business faced working with federal government agencies.