



Vendors starting to receive Ike payments

By KELLEY SHANNON, Associated Press Writer, February 28, 2009 Saturday

AUSTIN, Texas -- Some of the 350 companies, non-profits and governments around the country that provided services during last summer's Hurricane Ike said Friday they are starting to receive the payments they've been anticipating for nearly six months.

"Once you get paid you kind of get a little relief," said Al Spence, president of A.S. Midway Trailways in Baltimore, which sent five buses to Texas to help transport evacuees. He has now been paid the \$106,000 he was owed, with interest. "A small company waiting on a hundred thousand dollars, that's like a gold mine, almost."

But others are still waiting.

The Associated Press reported this week that hundreds of businesses, non-profits and local governments were waiting for Texas to pay them \$134 million for services like bus transportation, portable restrooms and evacuation shelters. Mom-and-pop companies from around the country and Texas charities said they were struggling financially because of the delay.

Gov. Rick Perry blamed the Federal Emergency Management Agency for being slow in sending money to Texas to cover the bills. FEMA said it was the state's responsibility to go ahead and pay its bills regardless of any pending federal reimbursements, and some state lawmakers agreed.

On Feb. 4, the state freed up the money to pay the bills. On Tuesday, Perry's office said payments were being processed and that any further delays were unacceptable. Then, on Thursday, FEMA announced it was making \$60 million available to the Governor's Emergency Management Division to help pay for the hurricane response services.

Perry's spokeswoman, Katherine Cesinger, said payments have been going out to vendors since last week, beginning on Feb. 18. She said 72 percent of the bus vendors have been paid and the rest of the invoices are still being processed or verified.

Brian Touey, president of Central Coast Industries in Nipomo, Calif., which provided potable water and showers for Texas after Hurricane Ike, had not been paid by Tuesday, but on Friday confirmed he was paid in full this week. He had been owed \$982,620, or about an eighth of his annual gross sales.

The American Bus Association says it's in touch with numerous bus operators who still are waiting for their money.

"I've heard from just a very few that have gotten just a little bit," said Peter Pantuso, president and chief executive for the Washington, D.C.-based association. "The vast majority that I'm talking to are still waiting."

One of them is Rocky Ceravolo, a co-owner of Colonial Coach Lines on the outskirts of Chicago. He employs 90 people and is worried about his financial future.

"I don't want to lose this business and put people out on the street who rely on me," Ceravolo said.

The state hired private buses to help evacuate residents from Texas coastal areas. Invoices to the state for transportation during Hurricane Ike totaled \$30 million, according to the vendor list obtained by the AP using the Texas Public Information Act.

Pantuso said this is a difficult time of year for bus companies anyway because it's not vacation season. He said the slow state payments are making it difficult for the operators to function or plan for the coming year.

"It's not a handout, it's not a giveaway or a stimulus," he said. "All they want to do is be paid for the work that they did to get people out of harm's way."

Spence said he stayed in touch with Texas officials every couple of weeks over the past few months to try to figure out when his payment was coming and to make sure all paperwork was done properly on his end. He said he figured he would be paid, but with the worsening economy he began to worry.

Fortunately, he said, his own vendors and finance companies were patient during the cash-flow crunch. He got a call from a Texas official last week saying his payment was coming soon, and it arrived Monday by Federal Express, he said.

In the future, Spence said, he'll ask up front what the timetable will be for payment before deciding to work in a disaster zone.

"It's been a hardship," he said. "It was a learning experience."

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