The Honorable Charles E. Schumer Majority Leader U.S. Senate

The Honorable Nancy Pelosi Speaker U.S. House of Representatives The Honorable Mitch McConnell Minority Leader U.S. Senate

The Honorable Kevin McCarthy Minority Leader U.S. House of Representatives

Dear Speaker Pelosi, Majority Leader Schumer, Minority Leader McConnell, and Minority Leader McCarthy:

As it considers legislation to revitalize our nation's infrastructure, we urge that Congress ensure these investments at minimum adhere to current building codes and standards. These construction requirements are regularly updated through consensus-based processes to keep pace with changing technology, building science, and improved understanding of life safety risks.

Although the federal government invests billions of dollars in infrastructure annually, and requires current codes and standards for its own portfolio, the Federal Emergency Management Agency (FEMA) is the only federal entity that currently requires that federally assisted projects adhere to up-to-date building codes and standards. FEMA has done so to "increase the resilience of communities after a disaster," "protect lives and property," and to "reduc[e] the need for future Federal disaster recovery funding and other assistance." Recognizing the importance of resilient construction, a component of the President's American Job Plan commits to "build back above existing codes and standards" in disaster-prone communities.

But absent current code and standard minimums, federally assisted infrastructure—including other, major components constituting more than \$360 billion in grants and other assistance that President Biden's American Jobs Plan would invest in schools, childcare facilities, airports, housing, and commercial buildings—will be built to outdated codes and standards in many parts of the country. Currently, according to FEMA, two-thirds of communities facing hazard risk have not adopted hazard resistant codes and standards, and, in recent years, 30% of new construction has taken place in communities with either no codes or codes that have not been updated this century. Per the U.S. Department of Energy (DOE) and the Pacific Northwest National Laboratory, about one in five states have no energy conservation code adopted statewide and 15 states have adopted older code editions that are roughly 33 percent less efficient than current edition or have adopted more recent editions with amendments making them less efficient.

We know we <u>can expect</u> more frequent and more intense natural disasters in the future and that some will face a more difficult recovery than others. <u>Research shows</u> that natural disasters hit low- and moderate-income families the hardest. Disasters strike with both a physical and a financial shock, and only about 4 in 10 Americans <u>can afford</u> to cover an unanticipated \$1,000 expense. That's about one-third of the average <u>FEMA-verified</u> (not actual) losses post-Hurricane Harvey.

High energy and water bills also have disproportionate impacts. Middle-income and high-income ratepayers spend 1 to 5 percent of their income on energy bills, whereas low-income customers <u>face energy burdens</u> from 6 to 30 percent or more depending on their state of residence.

FEMA projects that if all future construction adhered to current codes, the nation would avoid more than \$600 billion in cumulative losses from floods, hurricanes, and earthquakes by 2060. The National Institute of Building Sciences estimates that building to modern building codes saves \$11 for every \$1 invested through earthquake, flood, and wind mitigation benefits, while retrofitting 2.5 million homes in the wildland urban interface to wildfire codes could provide a nationwide benefit-cost ratio as high as \$8:\$1. These benefits represent avoided casualties, property damage, business interruptions, first responder and annual homeownership costs, and are enjoyed by all building stakeholders—from governments, developers, titleholders, and lenders, to tenants and communities.

Better built buildings minimize repair and displacement costs and economic impacts following natural disasters, reduce the risk of loss, have better ventilation and indoor air quality, and cut energy and water utility bills. Keeping utility bills low also mitigates default risks, with one recent study finding that energy-efficient homes have a third less risk of mortgage default. The Department of Energy estimates that robust energy codes and standards can save owners and occupants \$126 billion in avoided energy bills by 2040, with emission reductions equivalent to the annual emissions from 89 million homes. Those same codes and standards help maintain internal temperatures, permitting building occupants to more safely shelter in place for periods without power during extreme weather.

Given the heterogeneity in the adoption of hazard resistant codes and standards across our country, we believe federally assisted construction and infrastructure investments should at minimum adhere to up-to-date codes and standards. That position is supported by <u>past FEMA Administrators from both parties</u>, the federal government's <u>National Mitigation Investment Strategy</u>, and the still active <u>Disaster Risk</u> <u>Reduction Minimum Codes and Standards Policy</u> that former FEMA Administrator Fugate put in place.

Schools, hospitals, housing, childcare facilities, airports, and other public buildings and amenities are all pillars of our communities and especially important in meeting the needs of vulnerable populations. Many of these buildings frequently serve communities as emergency shelters, which requires these facilities be resilient and well maintained. Ensuring they are constructed to modern codes and standards protects the people who use and occupy these structures as well as the federal government's own investment, is consistent with FEMA policy, and follows the federal government's requirements for its own buildings. To do otherwise, locks avoidable risk and inefficiencies into investments with lifetimes spanning 50 to 75 years, or more.

Modernizing our nation's buildings is a critical part of infrastructure revitalization. By requiring federally assisted construction adhere to current codes and standards, Congress can ensure this needed investment is well made.

Sincerely,

AEC Science & Technology, LLC
Alliance for National and Community Resilience
Alliance to Save Energy
American Chemistry Council
American Concrete Institute
American Council for an Energy-Efficient Economy
American Institute of Architects
American Property Casualty Insurance Association
American Shotcrete Association
American Society for Healthcare Engineering
American Society of Civil Engineers
American Society of Interior Designers

American Supply Association

ASHRAE

Association of State Floodplain Managers

Attachments Energy Rating Council

Builders Hardware Manufacturers Association

BuildStrong

Composite Lumber Manufacturers Association

Concrete Reinforcing Steel Institute

Congressional Fire Services Institute

Covestro LLC

Digital Built Environment Institute

Earthquake Engineering Research Institute

Enterprise Community Partners

Environmental and Energy Study Institute

EPDM Roofing Association

Expanded Clay, Shale and Slate Institute

Extruded Polystyrene Foam Association

Illuminating Engineering Society

Insurance Institute for Business & Home Safety

International Association of Fire Chiefs

International Association of Fire Fighters

International Code Council

International Door Association

Knauf Insulation

Mason Contractors Association of America

National Association of Energy Service Companies

National Association of Mutual Insurance Companies

National Association of State Fire Marshals

National Concrete Masonry Association

National Council of Structural Engineers Associations

National Fire Protection Association

National Institute of Building Sciences

National Precast Concrete Association

National Ready Mixed Concrete Association

Natural Resouces Defense Council

North American Insulation Manufacturers Association

Polyisocyanurate Insulation Manufacturers Association

Portland Cement Association

Post-Tensioning Institute

Precast/Prestressed Concrete Institute

Pressure Sensitive Tape Council

Reinsurance Association of America

Roof Coatings Manufacturers Association

Sheet Metal and Air Conditioning Contractors National Association

Single Ply Roofing Industry

Slag Cement Association

Society of Fire Protection Engineers

Structural Insulated Panel Association

U.S. Resiliency Council

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Window Coverings Manufacturers Association