RESILIENT INFRASTRUCTURE

BACKGROUND

The United States had three of the world's costliest disasters in 2018: the Camp Fire in California, Hurricane Michael in Florida, and Hurricane Florence in the Carolinas costing a total of $46.5 billion. The federal government's 2019 National Climate Assessment, compiled by thirteen agencies, found extreme weather events will *increasingly disrupt and damage critical infrastructure and property, labor productivity, and the vitality of our communities.* The study found the U.S. could lose as much as ten percent of its Gross Domestic Product by the end of the century and the immeasurable cost of lives lost.

To protect life and property, Congress has a role in directing infrastructure and buildings to be resilient through a variety of mitigation programs. Resilient construction is infrastructure that, in response to a disruptive natural or technology-related event, allows buildings and infrastructure to resist damage, continue to serve their primary function, and minimize the recovery time. Concrete is the essential building material to resilient infrastructure. It is estimated that for every $1 invested in pre-disaster mitigation, up to $8 can be saved in future disaster recovery costs.

STATUS

A key mechanism to encouraging pre-disaster mitigation and serving as a safeguard for homeowners is the National Flood Insurance Program (NFIP). Administered by the Federal Emergency Management Agency, it was created by Congress in 1968 to replace the need for ad-hoc disaster assistance funds to individuals and communities that suffered losses due to weather-induced flooding. The program is funded by premiums paid by homeowners who are eligible. Eligible homeowners must live in a community that has made adequate land use and control measures to reduce the risk of flood damage.

Congress has further helped communities invest in resilient construction through the Disaster Recovery Reform Act (DRRA). Enacted in 2018, the DRRA places greater attention on pre-disaster planning and mitigation by requiring that an amount equal to six percent or less of disaster relief be set aside for a pre-disaster mitigation account, which will increase federal investment in mitigation projects. The DRRA highlights the importance of building durable evacuation routes able to withstand forces of nature.

The Bipartisan Budget Act included a provision to incentivize states to invest in disaster-resilient construction by allowing a state's post-disaster federal cost-share to be increased from 75 percent to as high as 85 percent on a sliding scale based on:

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- Adopting a mitigation plan
- Investing in disaster relief, insurance and emergency management programs
- Encouraging the adoption and enforcement of the latest building codes
- Facilitating participation in the Community Rating System
- Funding mitigation projects and giving tax incentives to projects that reduce risk

The cost-share provision represents a major shift in the disaster mitigation landscape and lays the groundwork for potentially even larger reforms going forward.

The NFIP has been extended through short-term reauthorizations since the last major Congressional action: the Homeowner Flood Insurance Affordability Act of 2014. The most recent extension will expire on May 31, 2019. On March 13, the House Financial Services Committee held a hearing on legislation reauthorizing the program until 2024; it included a provision requiring states to report the mitigation and resiliency measures it intends to take to participate in the program.

Congress has not reached a consensus for providing disaster assistance for the Camp Fire, and Hurricanes Michael & Florence, and other events in 2018. The House, via the Supplemental Appropriations Act of 2019 (H.R. 268), provides $12.1 billion in disaster assistance. The Senate has started debate on the Additional Supplemental Appropriations for Disaster Relief of 2019, which provides $13.5 billion in funding.

ACTION REQUESTED

The cement and concrete industry urges Congress to:

- Continue to place greater emphasis on pre-disaster mitigation and resilient infrastructure.
- Reauthorize the National Flood Insurance Program and take steps to ensure the program is investing in mitigation to reduce flood hits.
- Support the Disaster Savings and Resilient Construction Act – By providing residential property owners a federal tax credit up to $3,000 and up to $25,000 for commercial property owners who build with resilient materials, including concrete.