

Written Testimony
“FEMA Priorities for 2022: Stakeholder Perspectives”
Subcommittee on Economic Development, Public Buildings, and Emergency Management
Committee on Transportation and Infrastructure
U.S. House of Representatives
February 15, 2022

Chair Titus, Ranking Member Webster, and Members of the Subcommittee, thank you for the opportunity to submit written testimony for the hearing entitled “FEMA Priorities for 2022: Stakeholder Perspectives.” The SmarterSafer Coalition (SmarterSafer) appreciates the opportunity to outline our priorities on the important work being done by the Federal Emergency Management Agency (“FEMA” or “the Agency”).

SmarterSafer is a diverse coalition of conservation and environmental groups, taxpayer-focused organizations, insurance and reinsurance interests, and housing advocates all united behind the premise that pre-disaster mitigation and resiliency investments can offer environmental and community protection while simultaneously fostering responsible stewardship of taxpayer dollars. For your reference, a complete list of our coalition members is attached.

SmarterSafer commends FEMA Administrator Deanne Criswell and the FEMA staff in their tireless efforts to provide emergency and disaster assistance to communities in need. There is a clear link between climate change and natural disasters,¹ yet we fear that the United States is years away from making meaningful strides in combatting climate change. Immediate action must be taken by FEMA, other Executive Branch agencies, and lawmakers to better ensure that individuals and communities are able to better withstand natural catastrophes. While individual and localized decisions have the potential to make an impact and promote individual safety, comprehensive and modernized federal policy is essential for both pre-disaster mitigation and more effective post-disaster recovery. We believe that efforts outlined below will allow FEMA to better pursue its mission of “reduce[ing] the loss of life and property and protect[ing] the nation from all hazards.”

Pre-Disaster Mitigation and Post-Disaster Recovery

Friederike Otto, co-founder of World Weather Attribution, has said that “disasters occur when hazards [such as climate change] meet vulnerability.”² SmarterSafer views pre-disaster mitigation as our nation’s best defense against anticipated, yet unexpected, natural disasters. Outdated mitigation strategies have caused the federal government to spend billions of dollars reacting to disasters. Without change, this number is only expected to increase exponentially and in short order. Implementation of mitigation and resiliency strategies is critical as every dollar

¹ <https://www.worldweatherattribution.org/heavy-rainfall-which-led-to-severe-flooding-in-western-europe-made-more-likely-by-climate-change/>

² <https://e360.yale.edu/features/its-not-just-climate-are-we-ignoring-other-causes-of-disasters>

invested in mitigation efforts is estimated to save \$13 on post-disaster spending³. To that end, SmarterSafer urges FEMA and Congress to tie federal disaster spending to pre-disaster mitigation efforts. SmarterSafer also supports the continued commitment to FEMA's Building Resilient Infrastructure and Communities (BRIC) program to help implement pre-disaster mitigation strategies and calls on FEMA and Congress to address the growing demand for the program. Additional resiliency and pre-disaster mitigation strategies can be realized through private-public partnerships. Strengthened existing and new partnerships will allow FEMA to access up-to-date information and incorporate forward-looking technology to help address the growing frequency and severity of natural disasters.

Pre-disaster mitigation strategies must be paired with aggressive post-disaster recovery efforts. SmarterSafer recommends that FEMA contemporize the idea of post-disaster recovery by incorporating how a community's demographic information, such as race, income, and gender ratio, can impact their recovery trajectory and future mitigation efforts. FEMA should adjust its post-disaster recovery efforts accordingly to accurately meet the needs of the community.

Flooding

Flooding is the most expensive type of natural disaster in the U.S. because of the damage it causes to individuals, property, economic activity, government operations, and the fatal effect it has on human life. Rising sea levels and increased extreme weather events continue to pose an increasing threat to the livelihoods of many individuals, most who do not know that their homes and other belongings are at risk for flooding. As extreme and unpredictable weather patterns pursue, flood risks only increase. SmarterSafer believes that as the intensity and frequency of floods increase, FEMA should do everything in their power to help communities prepare for what is to come.

At the core of flood-risk management is being able to accurately capture flood risk. SmarterSafer believes that it is in FEMA's best interest to update their maps with the most recent geographical and meteorological data to understand how flood risks have changes and understand where flood risks are heading. It is only with these revised maps that will FEMA be able to accurately communicate risks to communities and formulate new best practices for minimum flood plain management standards. With an updated understanding of flood risk, SmarterSafer suggests that FEMA require to communities to have flood risk information easily accessible to the public as well as work with state and local governments and other federal agencies to consider a paradigm in which sellers of properties disclose that information to potential buyers.

SmarterSafer also strongly supports Risk Rating 2.0. Modernization of the standards is a significant step forward in addressing premium pricing to better reflect risk. Under its current construct, the National Flood Insurance Program (NFIP) remains the only federal program that incentivizes people to live in harm's way. Over the past two decades, the program has been hit with major losses from a series of powerful storms, including Hurricane Katrina (\$16.3 billion), Hurricane Harvey (\$8.9 billion), Superstorm Sandy (\$8.8 billion), Hurricane Irene (\$1.3 billion),

³ <https://apnews.com/press-release/pr-newswire/science-north-america-oregon-portland-united-states-eb04d17c5ae3afbe56e525ad3d699110>

and Hurricane Irma (\$1 billion),⁴ and more recently, Hurricane Ida (\$65.5 billion).⁵ Unfortunately, the situation has resulted in FEMA paying out claims at an unsustainable rate, borrowing approximately \$40 billion from U.S. taxpayers to date.⁶

It has long been a priority of the coalition members to ensure that NFIP policies reflect accurate levels of risk. Risk Rating 2.0 is a significant step in that endeavor. Evidence has shown that a significant number of NFIP policyholders that reside in less flood-prone areas will see a decrease in their rates, while a far more modest number of coastal properties, which are often more valuable and inhabited by higher wage earners, will see a risk-based increase. At the same time, and while we are supportive of full implementation of Risk Rating 2.0, SmarterSafer believes it is important that FEMA bear in mind the impact that any unexpected or rapid premium increases could have on vulnerable populations. Thus, premium changes should be paired with means testing and other programs to ensure that all who need insurance are able to access it. FEMA should work with trusted community leaders to engage in rigorous outreach campaigns to spread awareness about how Risk Rating 2.0 can bring more equity into the program.

SmarterSafer also encourages FEMA to do more to expand the role of private insurance in the flood insurance market. A more robust private flood insurance market will not only offer consumers choice but also advance taxpayer protections. We also support efforts to impose limitations on new construction inside FEMA-designated floodplains.

Climate-Resilient Infrastructure

It is not enough to build in environmentally sound areas; rather, we must keep durability and longevity in mind. SmarterSafer supports increased scientific climate data sharing within the government and between FEMA and private sector experts to gain access to granular data and draw better conclusions on forward-looking metrological projections and associated risks. It is necessary that FEMA follow the science to pursue outcome-driven projects that strengthen communities and reduce long-term exposure.

As the Agency continues explore and experiment with mitigation strategies, SmarterSafer believes that a greater emphasis should be placed on natural infrastructure that can act as a buffer and protect communities from increased catastrophic risk as well as promote environmental restoration. Nature-based mitigation efforts, including the restoration of wetlands, dunes, and other coastal barriers, make communities more resilient to increased flood risk. NOAA estimates that U.S. coastal wetlands alone provide \$23.2 billion in storm protection each year. During Hurricane Sandy, wetlands reduced damages by more than 22 percent in more than half of the areas directly affected by the storm. On inland waterways, researchers have found that wetlands provide \$237 billion a year in benefits for flood mitigation and groundwater recharges.⁷ Investment in natural restoration and resilience projects will provide important wildlife habitats, assist in creating outdoor recreational opportunities, and help restore tourism activity. Those investments across U.S. floodplains will also help confront the climate crisis by naturally sequestering more carbon and bolstering community resilience to wildfires, hurricanes, and

⁴ <https://www.iii.org/fact-statistic/facts-statistics-flood-insurance>

⁵ <https://www.ncdc.noaa.gov/billions/events>

⁶ <https://www.insurancejournal.com/blogs/right-street/2018/07/09/494466.htm>

⁷ <https://www.ducks.org/conservation/conserving-wetlands-waterfowl/the-many-benefits-of-wetlands-conservation>

flooding, while advancing environmental justice by removing pollution from our air, water, and soils. SmarterSafer encourages FEMA to place greater emphasis on natural infrastructure and encourage the use of nature-based solutions where feasible to promote infrastructural safety and soundness.

Housing

Housing is the largest expense and investment for most Americans, and many homeowners are both unaware and unprepared for the risks and dangers that come from natural disasters. SmarterSafer urges FEMA to carefully consider the impact that natural disasters have on low-income communities, disabled individuals, and communities of color. These communities are often the most vulnerable to the effects of severe weather events, either because of their proximity to high-risk areas or the condition of the housing in which they live. Moreover, many of these communities lack the technical capability to fully access and utilize FEMA's assistance programs and require additional financial support to adopt climate-resilient building strategies. SmarterSafer recognizes the growing intersectionality between climate change, natural disasters, and access to safe housing and urges FEMA to continue to focus their efforts and resources in this direction.

Equity

SmarterSafer implores FEMA to hold equity paramount in every aspect of how the Agency approaches disaster relief and recovery. Marginalized communities are often disproportionately impacted by natural disasters and have the most trouble accessing assistance which prolongs, and sometimes even inhibits their recovery. SmarterSafer is confident that, if FEMA takes an active role and purposely striving for equity and reducing barriers to enter the program, there will be a ripple effect in the entire disaster relief process, reducing hardships and saving taxpayer dollars in the long run.

Risk Transfer

The United States has an infrastructure funding gap of more than 2 trillion. Policymakers at all levels of government must find innovative ways to stretch every dollar and maximize results. To that end, it is important to realize the benefits of public-private partnerships and risk-transfer opportunities. Facilitating and strengthening public-private partnerships will give FEMA's programs increased access to better technology and more capital to increase efficiency to better serve the individuals and communities it intends to help. The private sector, particularly the insurance industry, is eager to take on additional risk associated with natural disasters. As natural disasters intensify, SmarterSafer believes that FEMA should lean more into this space to avoid financial insolvency. By leveraging private financing, insurance, and reinsurance availability, policymakers can shift some of the financial burden associated with natural disasters from FEMA's balance sheet to willing private sector participants.

Climate change continues to present itself in traditional and unconventional ways. The conversation around climate change must be depoliticized to formulate truthful, effective, and

fair policies to assist FEMA and other agencies advance meaningful change. These policies can and will simultaneously provide economic growth, environmental protection, security for communities, and long-term savings for taxpayers.

Again, we appreciate the opportunity to submit this testimony for the hearing record. SmarterSafer greatly appreciates your efforts and stands ready to be a resource to you and your colleagues.

MEMBERS

Environmental Organizations

American Rivers
Center for Climate and Energy Solutions (C2ES)
ConservAmerica
Defenders of Wildlife
National Wildlife Federation
Natural Resources Defense Council (NRDC)
Surfrider Foundation

Consumer and Taxpayer Advocates

Coalition to Reduce Spending
National Taxpayers Union
R Street Institute
Taxpayers for Common Sense
Taxpayers Protection Alliance

Insurer and Reinsurer Interests

American Property Casualty Insurance Association (APCIA)
Association of Bermuda Insurers and Reinsurers (ABIR)
The Chubb Corporation
Liberty Mutual Group
National Association of Mutual Insurance Companies (NAMIC)
National Flood Association
Reinsurance Association of America
Swiss Re
USAA

Mitigation Interests

Natural Hazard Mitigation Association

Housing

Habitat for Humanity
National Housing Conference
National Leased Housing Association

ALLIED ORGANIZATIONS

Allianz of America
American Consumer Institute
Center for Clean Air Policy
Friends of the Earth
Institute for Liberty
Zurich Insurance