Dear Chairman Oberstar and Ranking Member Mica:

We are writing to you to request that you include an investment in hazard mitigation in the economic stimulus package. Such an investment will generate economic activity at the local level and create jobs in the construction sector, while simultaneously providing individual consumers and communities with resources necessary to reduce the impact of natural disasters by saving lives, minimizing property damage, and reducing the future cost of Federal response and recovery programs.

First, we request that you include $2 billion for distribution via the Federal Emergency Management Agency (FEMA) for projects eligible for funding under the Pre-Disaster Mitigation (PDM) and Hazard Mitigation Grant Program (HMGP). We recommend that these funds be available for projects eligible under either program, with a particular focus on the use of non-structural solutions such as relocation of willing sellers from flood prone areas, increasing building elevations and floodproofing, and improving survivability of existing and new buildings.

Second, we urge you to ensure that projects selected for funding in the economic stimulus package consider the risks of the potential impacts of natural disasters, such as windstorms and floods, particularly in light of the anticipated effects of global climate change, and incorporate measures intended to mitigate the consequences of these disasters.

Hazard mitigation programs are well-established as a cost-effective means to reduce the impact of natural disasters. For example, in 2007, the Congressional Budget Office found that projects funded through the Pre-Disaster Mitigation program between 2004 and June 2007 resulted in a reduction of future disaster spending of approximately $3 for every
$1 spent on these projects. Similarly, in 2005, a Congressionally-mandated study by the Multihazard Mitigation Council (an advisory body of the National Institute of Building Sciences) concluded that cost-effective mitigation saves an average of four dollars for every dollar spent. The vast majority of properties flooded in 1993 were acquired or relocated. As a result, individual assistance to residents in the 13 Missouri communities fell from $33.2 million in 1993 to $2.1 million in 2008. In comparison, the total cost of purchasing these homes amounted to $37 million, meaning that the reduction in individual assistance from one event offset 85% of the cost to acquire the properties. Most importantly, thousands of people were spared the anguish of catastrophic flooding.

There is a large, unmet need for hazard mitigation funding. Over the last 5 years, over $1B of cost effective project applications were submitted to FEMA for consideration in the PDM program and only about 50% of those projects were funded.

The homebuilding/construction sector has been particularly hard-hit by the economic crisis. On Friday, December 5, 2008, the Bureau of Labor and Statistics reported that: “Employment in construction fell by 82,000 in November, with losses occurring throughout the industry. Since peaking in September 2006, construction employment has decreased by 780,000. Specialty trade contractors lost 50,000 jobs in November, with both residential and nonresidential components contributing to the decline.” ([http://www.bls.gov/news.release/empsit.nr0.htm](http://www.bls.gov/news.release/empsit.nr0.htm)) An investment in hazard mitigation will help to quell this effect.

Finally, the level of infrastructure investment contemplated in the economic stimulus package is the largest in many years. This new infrastructure will be exposed throughout its useful life to natural disasters. As we make this important and much-needed investment in our nation’s infrastructure, we must ensure that the potential impacts of natural disasters is considered and that appropriate hazard mitigation measures are included in infrastructure projects funded through the economic stimulus package.

We appreciate your support of hazard mitigation and look forward to working together.

Sincerely,

Alianz
American Consumer Institute
American Rivers
Association of State Floodplain Managers
Liberty Mutual Group
National Wildlife Federation
Reinsurance Association of America
Sierra Club