

May 24, 2022

The Honorable Gary Peters Chairman Senate Committee on Homeland Security and Governmental Affairs Washington, DC 20510 The Honorable Rob Portman Ranking Member Senate Committee on Homeland Security and Governmental Affairs Washington, DC 20510

Re: Opposition to H.R. 5673 - STORM Technical Corrections Act

Dear Chairman Peters and Ranking Member Portman:

The American Chemistry Council (ACC) strongly opposes H.R. 5673, the "Safeguarding Tomorrow through Ongoing Risk Mitigation Technical Corrections Act." H.R. 5673 was passed by the U.S. House of Representatives and is now being considered for markup by the Senate Committee on Homeland Security and Governmental Affairs. The original STORM Act, signed into law in 2021, established a new program to provide the Federal Emergency Management Agency (FEMA) funding for hazard mitigation. H.R. 5673 would provide congressional endorsement of "backsliding" from the most recent energy efficiency and model energy codes in the building sector. ACC strongly opposes using federal taxpayer dollars to make buildings less energy efficient.

ACC represents a diverse set of companies engaged in the business of chemistry, an innovative, \$486 billion enterprise. We work to solve some of the biggest challenges facing our nation and our world and are committed to fostering progress in our economy, environment, and society – and leveraging the business of chemistry to drive energy efficiency across the build space – especially in states like Michigan and Ohio.

ACC has a strong, consistent record supporting federal policies that promote consensus-based model building codes, including energy codes. The chemical industry supplies many products and materials to the build and construction value chain, including those that deliver energy efficiency throughout the entire structure. Energy efficient buildings create economic opportunities for businesses and industry by promoting new energy efficient technologies and reducing energy waste.

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In 2018, there was an attempt to reduce the energy efficiency effectiveness of certain provisions of the Disaster Recovery Reform Act (DRRA) and prevent updated building codes, including building energy codes, from being adopted, especially in the FEMA Building Infrastructure and Resilient Communities (BRIC) program. The Committee refuted that effort on a bipartisan basis and an important compromise was achieved, including a specific "sunset" provision.

ACC notes that the benefits to taxpayers supporting disaster recovery and to individual building owners are well documented and significant. Study after study confirms that adopting and effectively implementing current model building codes is the nation's best defense against hurricanes, tornadoes, earthquakes, flooding, and other natural disasters. The National Institute of Building Sciences: Mitigation Saves Report<sup>1</sup> states that that:

"Adopting the latest building code requirements is affordable and saves \$11 per \$1 invested. Building codes have greatly improved society's disaster resilience, while adding only about 1% to construction costs relative to 1990 standards. The greatest benefits accrue to communities using the most recent code editions."

New editions of the energy code have consistently resulted in more energy efficiency for residential and commercial buildings. The Department of Energy estimates<sup>2</sup> that the cumulative savings 2021-2040 from the implementation of these updated codes is:

- \$138 billion energy cost savings
- 900 MMT of avoided CO<sub>2</sub> emissions
- 13.5 quads of primary energy

This savings equates to the annual emissions of:

- 195 million passenger vehicles
- 227 coal power plants
- 108 million homes

The DRRA appropriately incentivized the adoption and enforcement of the <u>latest</u> model codes and the latest hazard mitigation provisions therein. Code advancements present cumulative benefits. Codes are updated on fixed intervals, which ensures the latest editions reflect advancements in building science and technology as well as improvement in methodologies that

<sup>&</sup>lt;sup>1</sup> See <u>Mitigation Saves: Mitigation Saves up to \$13 per \$1 Invested (nibs.org)</u>

<sup>&</sup>lt;sup>2</sup> See Impact Analysis | Building Energy Codes Program

can both enhance building resiliency and reduce costs. For these reasons, ACC strongly supported the DRRA's correct focus on the most recent version of modern building codes.

H.R. 5673 would roll back those very efforts to enhance resilience and pre-disaster mitigation. Resilient, effective, and energy-efficient building codes are crucial to protect consumers, communities, and taxpayers—all of whom bear the cost of reconstruction following disasters. Current attempts to effectuate changes through H.R. 5673 would essentially refute prior unanimous support for past provisions. We strongly urge the Committee not to approve H.R. 5673, thereby preserving hard-sought energy efficiency successes that the Committee has past supported.

Kind regards,

Chris Jahn President and CEO American Chemistry Council