U.S. Chamber of Commerce

1615 H Street, NW
Washington, DC 20062-2000
uschamber.com

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Hearing Before the House Committee on Transportation & Infrastructure on "Reforming FEMA: Ensuring the Nation's Disaster Readiness Works for Americans"

Chairman Graves, Ranking Member Larsen, and distinguished members of the Committee:

Thank you for the opportunity to testify today on the importance of strengthening America's emergency management system and advancing the Fixing Emergency Management for Americans Act.

It is also a privilege to be here with my fellow witnesses who are Chamber members and coalition partners in supporting our shared priorities to build smart, modern, resilient infrastructure to help prepare ahead of the next crisis.

The FEMA Act can help enhance America's economic security.

At the U.S. Chamber of Commerce, our Growth and Opportunity Imperative focuses on the need for sustained 3%+ annual economic growth. This focus reflects a simple truth: growth is not abstract. Growth means more jobs, higher wages, stronger communities, greater competitiveness, and more opportunities for families and businesses in every region of the country to succeed.

Bottom line: policies that result in growth should be supported and those that do not should be rethought.

Preparedness is central to that growth agenda.

A strong economy cannot be built on fragile foundations. Businesses cannot invest, hire, expand, or serve their communities when roads are washed out, power is disrupted, supply chains are broken, homes are destroyed, and local governments are forced to shift scarce resources from growth to recovery. When disasters strike, the economic consequences are felt far beyond the immediate damage. They interrupt commerce, displace workers, raise costs, undermine housing affordability, strain public budgets, and slow the recovery of entire regions.

That is why disaster preparedness, predisaster mitigation, and hazard mitigation are not merely emergency management issues. They are economic growth issues. They are infrastructure issues. They are workforce issues. They are housing affordability issues. And they are competitiveness issues.

The FEMA Act provides Congress with an important opportunity to modernize our approach, strengthen resilience, and ensure that communities and companies are better prepared before disaster strikes. The Chamber commends the Committee for its bipartisan work and urges you to advance this legislation because it would help provide the resources, structure, and federal partnership necessary to improve disaster preparedness and resilience nationwide.

Preparedness Is a Pro-Growth Strategy

The economic case for preparedness is clear. The Chamber's research with Allstate and the U.S. Chamber of Commerce Foundation shows that investments in resilience and disaster preparedness produce significant returns. *The Preparedness Payoff* found that every $1 invested in disaster preparation saves $13 in reduced losses, damages, and economic savings. A follow-on report, *Beyond the Payoff,* built on that work and showed the cost of inaction: every $1 not invested in disaster resilience today can cost communities up to $33 in lost future economic activity.

This does not mean that losses will be eliminated but instead that the impact on GDP, jobs, and income will be less, and the affected people, communities, and economies will recover more quickly.

Those findings should inform how Congress thinks about emergency management. Preparedness is not a sunk cost. It is an investment in economic continuity and growth.

When communities and companies invest in stronger infrastructure, modernized building practices, better planning, improved data, and stronger public-private coordination, it reduces the likelihood that a disaster becomes an economic crisis. These investments help preserve jobs, protect incomes, keep businesses open, reduce displacement, and allow communities to recover faster. In practical terms, they help keep the local economy moving.

The Chamber's work has also shown that the benefits of resilience are not limited to large metropolitan areas or one type of hazard. Whether the threat is flooding, wildfire, hurricanes, tornadoes, drought, or other natural or manmade hazards, the basic economic principle is the same: communities that reduce risk before disaster strikes are better positioned to protect lives, property, jobs, and long-term growth.

This matters deeply to the Committee's work. Transportation and infrastructure systems are the backbone of American commerce. Roads, bridges, ports, airports, transit systems, rail lines, water systems, and energy infrastructure connect workers to jobs, businesses to customers, and communities to opportunity. When those systems fail, the disruption spreads quickly through local, regional, and national supply chains.

If we want a 3%+ growth economy, we need infrastructure that can withstand disruption and recover quickly when disasters occur. The FEMA Act can help move the country in that direction by reinforcing preparedness and mitigation as core elements of national resilience.

The FEMA Act Should Preserve a Strong Federal Role

The Chamber supports a framework that is locally driven, state-managed, and federally supported. State and local leaders know their communities, understand their risks, and are often best positioned to identify priority projects. Businesses, infrastructure operators, emergency managers, and local governments all have essential roles to play.

But empowering state and local leadership should not mean weakening the federal role.

Disasters increasingly affect interconnected regions, infrastructure systems, housing markets, and supply chains. The impacts do not stop at jurisdictional lines. A major flood, wildfire, hurricane, cyber disruption, or infrastructure failure can affect multiple States, disrupt national commerce, and strain the resources of communities that were already facing significant capacity constraints.

A strong federal role remains essential to setting national priorities, providing consistent funding, coordinating across jurisdictions, sectors, and agencies, supporting technical assistance, and helping address risks that exceed local or state capacity. Federal leadership can also help align resources across agencies, reduce duplication, improve accountability, and ensure that investments are directed toward risk reduction before disaster strikes.

The FEMA Act is important because it can provide greater structure, durability, and predictability in this effort. The formula-based approach contained in the bill offers a promising pathway to consistent funding for preparedness and predisaster mitigation. That kind of certainty matters. Communities cannot build resilience through stop-and-start funding, overly complex grant processes, or programs that only become available after damage has already occurred.

Congress should ensure that the FEMA Act maintains a robust federal partnership while empowering State and local decision-making. That balance is critical to building a system that is practical, accountable, and effective.

Predisaster Mitigation Must Be Central to Reform

The Chamber strongly supports meaningful funding for preparedness and predisaster mitigation. These investments include retrofitting infrastructure, updating building codes, hardening critical systems, strengthening floodplain management, restoring natural resources, improving land-use planning, and deploying data and technology to better understand risk.

Predisaster mitigation is where the economic return is strongest. It is also where public policy can do the most good.

Too often, the federal system has emphasized recovery after a disaster rather than reducing losses before they occur. Recovery funding is critical, and communities will always need support after major events. But recovery alone is not a strategy for resilience. It is more expensive, slower, and more disruptive than investing in risk reduction upfront.

Preparedness allows communities to avoid the worst outcomes. It reduces damage, keeps businesses open, protects public infrastructure, limits displacement, and helps families return to normal life more quickly. It also saves taxpayer dollars by reducing the scale of future recovery needs.

That is why the FEMA Act should keep predisaster mitigation at the center of emergency management reform. The formula-based approach is a step in the right direction. Congress should preserve and strengthen provisions that provide reliable funding, reduce administrative barriers, improve technical assistance, and accelerate project delivery. Communities should not have to navigate overly complex processes to access funds for projects that protect lives and support economic stability.

The Chamber also supports incentives that encourage households and businesses to invest in resilience. Tax credits for resilience measures, disaster savings accounts, and parity in tax treatment for predisaster grant funding, as highlighted in the bill, can help mobilize private capital and empower property owners to reduce risk. Federal funding should complement, not replace, private investment. The goal should be to align incentives so families, businesses, communities, and governments are all working toward the same outcome: fewer losses, faster recovery, and stronger economic performance.

Hazard Mitigation Programs Must Be Strengthened, Not Weakened

The Chamber also believes hazard mitigation should remain a core component of the nation's emergency management system. Programs such as the Hazard Mitigation Grant Program, the Building Resilient Infrastructure and Communities program, and the Emergency Management Performance Grant program play important roles in helping communities plan, prepare, and invest in risk reduction.

We recognize that existing programs can be overly complex, slow, and difficult to access. Reforms are needed. Grant management requirements can be burdensome. Postdisaster mitigation funding can arrive too late. Smaller and rural communities often lack the staff capacity needed to identify opportunities, apply for grants, and execute projects.

The Hazard Mitigation Grant Program is especially important because it helps communities, businesses, and families at a moment of acute need after disaster strikes. It can complement predisaster mitigation by helping communities rebuild smarter and reduce future risk. Congress should evaluate how all hazard mitigation programs can be made more effective, faster, and more focused on preparedness, but reforms should preserve the federal commitment to proven risk reduction.

The FEMA Act should reinforce that principle. Hazard mitigation and predisaster mitigation are not optional add-ons. They are essential tools for protecting the economy. The FEMA Act includes important improvements such as project consolidation and combining funding sources.

Consolidating Funding Will Improve Project Delivery

The Chamber also supports provisions that allow grant funding to be combined with other federal resources and private sector funding, and that permit eligible applicants to consolidate projects where appropriate. Disaster recovery and mitigation projects often require multiple funding streams, each with its own rules, timelines, and administrative requirements. That complexity can delay construction, increase costs, and discourage communities from pursuing larger, more durable projects. Allowing funding sources to be combined and facilities to be consolidated gives communities greater flexibility to build smarter rather than simply rebuild piecemeal. This matters to business because resilient infrastructure supports commerce, reduces repeated losses, improves taxpayer value, and helps communities make investments that strengthen long-term economic competitiveness.

The STORM Act Can Catalyze State-Led Resilience

The STORM Act presents an important catalytic opportunity to help states move from one-time grants toward more durable, state-led resilience financing. The Chamber was among the organizations that called for passage of the STORM Act and supports the FEMA Act's increase in the administrative cap on management expenses, which will give states, local governments, and eligible applicants the practical capacity needed to manage complex recovery and mitigation projects and deliver results more efficiently for communities and businesses. The bill also broadens the eligible focus to expressly include hazard mitigation and resilience.

Permitting Reform Will Help Communities Rebuild Faster

The FEMA Act's permitting and project review reforms are essential to turning disaster recovery dollars into completed projects more quickly. After a disaster, delays in environmental, historic preservation, and interagency reviews can keep critical infrastructure offline, slow the return of businesses and workers, and prolong economic disruption. By creating clearer, more coordinated review processes and allowing appropriate state-managed reviews, the bill would help communities repair, restore, and replace damaged facilities without unnecessary delay while maintaining important safeguards. For the business community, speed and certainty matter. When roads, utilities, public buildings, ports, and other community lifelines are restored faster, employers can reopen sooner, supply chains can stabilize, workers can return, and local economies can recover with less long-term damage.

Resilience Supports Housing Affordability and Family Wealth

The connection between resilience and housing affordability deserves special attention.

Housing affordability is one of the most urgent economic challenges facing the country. The Chamber has made clear that expanding housing supply is essential to improving affordability, supporting workforce mobility, and strengthening local economies. But supply is only part of the challenge. The housing we build and preserve must also be resilient.

For many American families, the home is their most significant asset and the primary way they build wealth. When a disaster damages or destroys a home, it can wipe out years of savings and undermine financial security. It can also reduce the supply of available housing in communities that are already struggling with affordability.

In regions that face repeated storms, flooding, wildfire, or other hazards, disasters can periodically eliminate significant portions of local housing stock. That pushes families into tighter markets, raises costs, disrupts workers' ability to stay near their jobs, and slows local recovery. Building more resiliently and investing in mitigation can help protect existing housing, reduce losses, and preserve the financial investment families have made in their homes.

This is not just about individual property. It is about the broader economy.

When workers cannot find affordable and safe housing near their jobs, employers face hiring and retention challenges. When families are displaced after disasters, schools, small businesses, local governments, and health care providers all feel the strain. When housing stock is repeatedly damaged, communities become less affordable and less competitive.

Resilience helps protect housing affordability by reducing the risk that disasters will destroy homes, displace families, and shrink supply. It also supports the preservation of family wealth by helping homeowners harden their properties and avoid catastrophic losses. Policies such as disaster savings accounts, resilience tax incentives, and technical assistance for mitigation can help families take practical steps to protect their homes and communities.

The FEMA Act should be viewed as part of a broader pro-growth housing and infrastructure agenda. By strengthening preparedness and mitigation, Congress can help protect housing supply, support workforce mobility, and safeguard one of the most important sources of wealth creation for American families.

Roof Retrofits and Modernized Building Codes Reduce Future Losses

The Chamber also supports the bill's emphasis on cost-effective hazard mitigation and the adoption of modern, consensus-based building codes that incorporate the latest hazard-resistant designs. Roof retrofits, stronger construction practices, and updated codes are practical resilience tools that can reduce damage before the next disaster strikes. These measures help protect homes, businesses, schools, health care facilities, and critical community assets, while reducing displacement and limiting the interruption of local commerce. For employers, resilient buildings mean fewer closures, lower recovery costs, more stable insurance and financing conditions, and a faster return to normal operations. Modernizing codes and encouraging targeted retrofits are not simply a safety measure; it is an economic strategy to protect property, preserve housing supply, safeguard family wealth, and keep communities open for business after disaster strikes.

Technical Assistance and Public-Private Coordination Are Essential

Funding alone is not enough. Communities also need capacity.

Many smaller, rural, underserved, and at-risk communities face significant barriers in accessing federal resilience programs. They may lack grant writers, engineers, planners, or technical expertise. They may not have the data needed to identify the highest-return projects. They may face difficulty coordinating across agencies, utilities, infrastructure owners, businesses, and nonprofit partners.

The Chamber supports enhanced technical assistance and better coordination to improve access to mitigation funding and accelerate project implementation. Public-private partnerships should be a central part of that effort. The private sector owns and operates major portions of critical infrastructure, supplies goods and services after disasters, employs local residents, and often has data, technology, logistics, and operational expertise that can strengthen preparedness.

A whole-of-society approach is not a slogan. It is a necessity. Effective resilience requires coordination among federal, state, and local governments; businesses; infrastructure providers; insurers; engineers; builders; emergency managers; and community organizations. The FEMA Act should help institutionalize those partnerships and make coordination more routine, transparent, and effective.

Better data-sharing and risk assessment tools are also essential. Communities need practical, accessible information to identify risks, prioritize projects, and measure return on resilience. Businesses need clarity to plan investments, manage supply chains, and protect workers and customers. Governments need data to direct funding where it will do the most good.

Congress Should Act

The Chamber urges the House to advance the FEMA Act and ensure that the final legislation strengthens the nation's ability to prepare, mitigate, respond, and recover.

In doing so, Congress should prioritize several principles.

First, preserve a strong federal role in preparedness, disaster response, recovery, and mitigation. National-scale risks require national leadership and consistent partnership.

Second, provide meaningful and predictable funding for predisaster mitigation and hazard mitigation. The formula-based approach in the FEMA Act offers a solid pathway to more consistent support.

Third, streamline access to resilience programs and reduce administrative barriers that delay projects and discourage participation, especially for smaller and at-risk communities. This starts with the universal application approach.

Fourth, expand incentives that encourage households, businesses, and communities to invest before disaster strikes, including tax incentives, disaster savings accounts, and fair tax treatment for mitigation grants.

Fifth, strengthen technical assistance and public-private coordination so that communities can move from planning to implementation more quickly.

Finally, recognize resilience as a core element of America's growth strategy. Preparedness protects lives, reduces taxpayer costs, strengthens infrastructure, supports housing affordability, preserves family wealth, and keeps local economies moving.

Chairman Graves, Ranking Member Larsen, and members of the Committee, the economic case is compelling. Every dollar invested in preparedness can produce significant savings, and every dollar not invested can result in far greater future losses and forgone economic opportunities. The choice before Congress is whether to continue paying more after disasters or invest smarter before they happen.

The FEMA Act is an important step toward a more proactive, efficient, and economically sound emergency management system. It reflects the reality that resilience is not only good public policy. It is an economic imperative.

The Chamber stands ready to work with this Committee, Congress, the Administration, state and local partners, and the private sector to advance durable reforms that help build a safer, stronger, and more resilient America.

Thank you for the opportunity to testify.

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