

September 8, 2008

The Hon. Christopher J. Dodd
Chairman, Senate Banking,
Housing & Urban Affairs Committee
448 Russell Senate Office Building
Washington, D.C. 20510

The Hon. Richard C. Shelby
Ranking Member, Senate Banking,
Housing & Urban Affairs Committee
110 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Dodd and Ranking Member Shelby:

The Community Building Code Administration Grant Act of 2007 (S. 2458/H.R. 4461), now before the Senate Banking Committee, is one of a very few pieces of federal legislation specifically focused on the values and benefits of promoting effective state and local administration of modern building codes. In your role as the Chairman and Ranking Member of the Senate Banking Committee, we appreciate your review of this legislation and consideration of support for action on it by the Committee in the 110th Congress.

Recent experience clearly demonstrates that effective enforcement of standardized building codes is increasingly important as a governmental policy addressing public safety and loss-prevention. The loss-reduction and public safety benefits from code enforcement apply across our country, but are particularly poignant where our exposure to natural hazards is greatest. The Hurricane Center at Louisiana State University has evaluated that 80% of the estimated \$10 billion dollars in damage to homes from Hurricane Katrina could have been prevented by application of modern building codes. In terms of federal loss-reduction, support for local enforcement of building regulations will work to reduce future costs in federal public disaster aid. A report completed for Congress in 2005 by the National Institute of Building Sciences demonstrates that future federal disaster assistance is reduced by nearly \$4 for each \$1 of federal spending on disaster mitigation.

Many states enact building codes as a statewide requirement, a practice that we actively advocate to ensure that codes are comprehensively adopted and regularly updated. A separate legislative measure, the Safe Building Code Incentives Act (H.R. 3926), is not yet before the Senate, but is focused on creating an incentive for statewide code adoption by increasing the amount of post disaster mitigation funding available to areas with statewide code requirements. It is notable that following the devastation of Hurricane Katrina, the State of Louisiana considered and adopted a statewide building code late in 2005.

Importantly, S. 2458 recognizes that building code enforcement is a local function fundamental to public safety and disaster mitigation, but that too many communities do not have the resources necessary to initiate programs that will improve compliance with state or locally adopted codes. As a straight-forward federal grant program, S. 2458 promotes and supports local code enforcement initiatives and provides federal returns through reduction in future costs.

We appreciate your review of this legislation, and request your support for consideration of the bill by the Committee.

Sincerely,

National Association of Mutual Insurance
Companies
American Insurance Association
International Code Council
State Farm Insurance Companies
Nationwide Mutual Insurance Company
Farmers Insurance Group

American Family Mutual Insurance
Company
ALFA Insurance Companies
Allstate Insurance Company
Solutia Inc.
Institute for Business & Home Safety
Baldwin Mutual Insurance Co., Inc.