

Opening Statement of Chairman Thomas R. Carper
Extreme Weather Events: The Costs of Not Being Prepared
February 12, 2014

As prepared for delivery:

Good morning and thank you for joining us today to talk about the true costs of not preparing our communities for extreme weather events.

Unfortunately, extreme weather appears to be the new norm. Events like Superstorm Sandy, recent wildfires, dangerous tornados, and historic droughts may well be just the tip of the iceberg of what's to come.

And even today, the East Coast is preparing for yet another snow storm while the West Coast is experiencing a historic drought and increased fire danger with no end in sight.

For years, I have been working with many of my colleagues to address the root causes and unfolding effects of what I believe is one of the biggest challenges of our generation – climate change.

According to the United States Global Change Research Program, extreme weather events have increased in frequency over the past 50 years and are expected to become even more common, more intense, and more costly.

But today's hearing is not intended to hash out climate science. Instead, it is about finding common ground.

As our country debates how to address our changing climate and the extreme weather I believe it is likely causing, our witnesses will deliver to us a clear message. Put simply, the increase in frequency and intensity of these extreme weather events are costing our country a lot - not just in lives impacted – but in economic costs, as well.

For example, the damage from a storm still fresh in many of our minds - Superstorm Sandy, which impacted my home state of Delaware and many of our neighbors – is estimated to have cost our economy \$75 billion in financial damages. And that's just one storm.

We're also hearing reports about the devastating effects of California's severe drought and how it is impacting the wildfire season in that state and across the West. Not only are wildfires growing in frequency and severity, but we are now seeing severe fires and wildfire conditions in winter and spring, well beyond the traditional wildfire season of summer and early fall. These fires are enormously expensive to fight and to recover from, and they pose serious threats to lives and property, damaging homes and businesses alike.

According to a 2013 report by insurance company Munich Re, the nearly 40 wildfires last year in the United States cost our economy \$1.1 billion.

These economic damages can deliver a devastating blow to many local communities and states, as well as to the federal government.

The Federal Emergency Management Agency (FEMA) alone has obligated over \$80 billion in federal assistance for disasters declared during fiscal years 2004 through 2011.

However, the cost to the Federal government is not just limited to disaster relief. As an insurer of both property and crops, the government faces additional significant fiscal exposure.

For example, since the creation of the National Flood Insurance Program in 1968 through December 2013, FEMA's debt from insurance payments to that program have totaled approximately \$24 billion.

Even before Superstorm Sandy, the total debt from payments through the National Flood Insurance Program was \$17.8 billion.

The costs of these weather events keep going up at a time when we are trying to bring government spending down.

That is one of the reasons why, for the first time,, the Government Accountability Office (GAO) last year listed climate change as one of the biggest fiscal risks facing our country in its High Risk List report.

In response to this historic GAO announcement, House Oversight and Government Reform Chairman Darrell Issa, stated: "the Comptroller General has made it very clear that we have not prepared properly, that the federal government has a financial risk that we have not properly mitigated, I think is a wakeup call to all of us."

I couldn't agree more. GAO's report is a call to action for both Congress and the Administration, warning us that our country must start thinking now about how to better prepare and adapt to a new climate reality. Today, our witness from GAO will further detail these financial risks to our communities and taxpayers and, hopefully, offer some common sense solutions that my colleagues and I can work with the Administration to see implemented.

Fortunately, this Administration, along with a number of state and local governments, are starting to focus their efforts on preparing for the very real threats posed by extreme weather events and climate change.

Last fall, President Obama issued an Executive Order on Climate Preparedness that incentivizes investments in more robust roads and buildings that may be more expensive, but can hold up during more intense storms.

I commend the President's approach and believe it is very timely as rebuilding efforts continue from Superstorm Sandy and other recent natural disasters.

I look forward to hearing more about the President's efforts and efforts by states like Delaware to do a better job protecting our communities and our taxpayer dollars from these challenges.

As we continue to debate how to reduce our deficits, I believe we can no longer afford to ignore the impacts these weather events are having on federal spending.

A little extra planning – combined with prudent, targeted investments – can go a long way in saving both lives and taxpayers dollars. I believe this is this is a perfect example of that very wise maxim -- an ounce of prevention is worth a pound of cure.

Thank you again to our witnesses for being here today. I am eager to hear your testimony.

With that I will turn it over to our acting Ranking Member, Senator Johnson, for any thoughts he would like to offer.