

## Terrorism Risk Insurance Program

The Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA) will expire on December 31, 2020 without Congressional action. TRIPRA is essential for commercial real estate. In order to finance a commercial property, lenders require “all risk” insurance coverage—including terrorism coverage—to cover the risk of loss of the collateral. Commercial real estate liquidity depends on adequate terrorism insurance capacity. Terrorism continues to pose a clear and present danger to our nation and to the American economy.

*The Roundtable is focused on developing an effective, long-term approach for a federal terrorism risk insurance program. Such a long-term program should enable policyholders to secure the terrorism risk coverage they need without facing periodic renewals by the federal government.*

## Advocating for Reform and Extension of the EB-5 Program

Partnering with the U.S. Chamber of Commerce, the EB-5 Investment Coalition, and other groups, The Roundtable continued to urge responsible reforms to the EB-5 program to attract foreign investment capital for U.S. economic development projects. Our efforts resulted in another program extension, through September 30, 2018—the thirteenth extension authorized by Congress since the fall of 2015. We will continue to advocate for responsible and long overdue EB-5 reforms for a multi-year authorization—including significant “integrity measures” to safeguard national security and deter fraud, and provisions that strike the proper balance to drive foreign capital to urban and rural projects alike.

### TERRORISTS HAVE TARGETED LOCATIONS ACROSS THE U.S.

This map locates 49 specific sites targeted for terror attacks since September 11, 2001. More than 10 additional plots with no clear target were also foiled.



Source: Heritage Foundation research based on media reports and court documents.

\* Newark, Perth Amboy, and Trenton

\*\* The Pentagon (2) and Quantico Marine Corps Base

# Energy and Infrastructure

*The Roundtable continues to drive federal policies that support the business case for energy efficiency in U.S. buildings.*

Since the passage of tax reform, the Trump Administration has outlined priorities for infrastructure that will create jobs and further stimulate the American economy generally and the real estate sector specifically. The Roundtable actively participates in discussions with Congress and the Administration to emphasize that thriving real estate markets are essential to help finance the roads, bridges, transit, telecommunications, power delivery, and other systems that make our communities function. Indeed, an infrastructure package is commonly touted as a possible area for bipartisan action after the 2018 midterm elections. Focusing on energy and infrastructure goals supports economic development and job growth while improving the resiliency of commercial real estate (C.R.E.).

*“People at RER are experts on energy. They’re really good at what they do.”*

— Senior Federal Policymaker (D) (National Journal study on the most effective advocates in Washington)

## ACCOMPLISHMENTS IN 2018

### Preserving Funding for the ENERGY STAR Program

This year, The Roundtable continued its strong support for ENERGY STAR, the voluntary market-driven program run by the U.S. Environmental Protection Agency (EPA) that imposes no federal regulations on the real estate industry. Established in the 1990s, it is a proven platform for building owners and managers to label their assets as top energy efficiency performers as a signal to investors and tenants in the C.R.E. marketplace. The EPA estimates that 44 billion square feet of commercial floor space—about half of U.S. C.R.E.—use “Portfolio Manager,” ENERGY STAR’s free online

tool, to measure and manage energy, water, and waste consumption.

The Roundtable has rallied real estate organizations to support continued federal appropriations for ENERGY STAR, making a strong business case that the program creates jobs, enhances competitiveness,

*In 2018, senior policymakers rated RER the most influential real estate association in Washington.*

*National Journal’s Ballast Research surveys more than 2000 senior policymakers every year to identify the most effective associations in Washington.*

improves energy independence, and saves money for U.S. families and businesses on utility bills. In a key change from last year, the Trump Administration's FY 2019 budget, released in February, continued funding for ENERGY STAR. The Roundtable's advocacy has also helped preserve ENERGY STAR appropriations through stop-gap spending bills. Notably, in November of 2017, The Roundtable with a coalition of 11 other real estate organizations detailed for the House Energy and Commerce Committee how the program is an exemplary, non-regulatory example of private sector and government collaboration that EPA should continue to administer with appropriate funding.

## Driving the EPA's New Charter Tenant Program

The Roundtable's Sustainability Policy Advisory Committee (SPAC) was a key player in the creation and ongoing development of EPA's new "ENERGY STAR for Tenants" labeling platform of high-performance leased office spaces.

This is a key program from the 2015 "Tenant Star" law, originally envisioned and long supported by The Roundtable. The implementation of the program has seen significant success so far: Scores of applicants have sought the inaugural "ENERGY STAR for Tenants" label in markets across the country, with EPA announcing its first-ever recipients for high performance leased spaces in June.

## Updating the Federal Commercial Building Energy Consumption Survey (CBECS)

With Roundtable support, and for the first time ever, the Department of Energy's information gathering arm is laying the groundwork for a national survey on commercial *tenant* energy use, to supplement its *whole building* "CBECS" survey. Throughout the year, the U.S. Energy Information Administration will solicit input

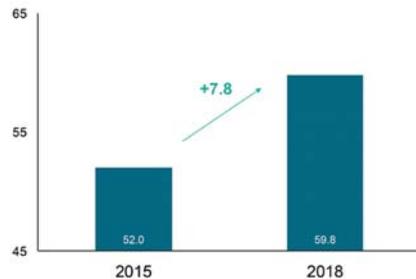
from the commercial real estate industry to develop survey questions aimed at gathering information on submeter deployment and other key characteristics regarding energy management and consumption of leased spaces in buildings.

## At the Fore of the "Healthy Buildings" Trend

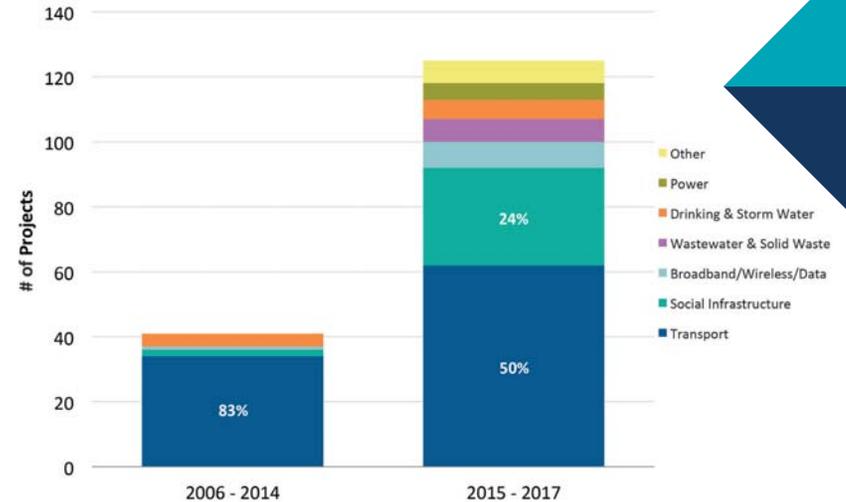
While asset- and portfolio-level energy efficiency and sustainability ratings are now commonplace in the U.S. real estate sector, a trend toward "healthy building" labels is emerging. The Roundtable has formed key alliances with trade groups representing the chemicals and manufacturing sectors, and sponsored SPAC education sessions with leading non-profit rating organizations, to ensure our members provide input on the metrics that may be used to measure building health and wellness.

## RER'S IMPACT AND INFLUENCE IN WASHINGTON IS STRONGER THAN EVER

Year Over Year, Senior Federal Policymakers Increasingly Engage The Roundtable in Conversations About Policy



National Journal's Ballast Research surveys more than 2000 senior policymakers every year to identify the most effective associations in Washington.



P3 Projects Cover More Diverse Infrastructure Assets: Half the 2015-2017 Projects are Outside Transportation. Source: Brattle Group

## Infrastructure and Public-Private Partnerships

Early this year the Trump Administration released its long-awaited legislative outline for Rebuilding Infrastructure in America. The Administration continues to promise a package of over \$1 trillion in infrastructure investment, and President Trump emphasized infrastructure in the 2018 State of the Union address. The Roundtable wrote to the President in January, and submitted detailed technical comments last fall to the U.S. Department of Transportation, urging action on infrastructure legislation and outlining several priorities:

- Responsibly increasing the "pay at the pump" federal gas tax that funds most US infrastructure and indexing it to inflation going forward.
- Supporting P3 financing, where public funds can leverage private debt and equity.
- Optimizing policies to bring foreign investment capital into the U.S. for infrastructure.
- Streamlining project permitting and approval process.
- Coupling revenue collected from state/local strategies like tax increment finance (TIF) and special assessment districts (SAD), with federal loans and guarantees under US-DOT's TIFIA program to spur more infrastructure development.



As Roundtable President and CEO Jeffrey D. DeBoer emphasized to the President in his letter early this year, "Roundtable members are experienced in addressing financing, permitting and government partnership issues that frequently slow or stop infrastructure projects. We intend to provide positive feedback and ideas to all policymakers working to facilitate improvements in our nation's infrastructure."

### Advocating for Transparent and Economically-Sound Building Height Rules in F.A.A. Reauthorization

Roundtable-backed language regarding allowable building height passed the House in April of this year as part of H.R. 4, which extends authorization of the Federal Aviation Administration (F.A.A.) for five years.

The so-called One Engine Inoperative (OEI) language included in the F.A.A. bill addresses an Obama-era proposal that could affect land development and property values near U.S. airports. The proposed 2014 policy change would alter decades-old standards concerning allowable building heights in vicinities around the nation's airports.

According to a study of the issue, approximately 4,000 buildings near 380 airports throughout the U.S. could become "non-conforming" if such OEI policies were ever to take effect. Thanks in large part to The Roundtable's advocacy, the language passed by the House (and on its way to the Senate) would require that any changes to current OEI policies must first go through a full public rulemaking process. The White House Office of Management and Budget would also be compelled to conduct a full cost-benefit analysis of any such F.A.A. action.

Depending on the outcome of the November 2018 elections, infrastructure could be a key area of compromise between the Trump Administration and Congressional Democrats in 2019. The Roundtable stands ready to provide constructive, valuable input and shape positive policy outcomes for its members as the issue continues to take shape.

### PRO-GROWTH REAL ESTATE POLICY WILL HELP FUND INFRASTRUCTURE



## Homeland Security

*The Roundtable continues to help create a more secure and sustainable environment for commercial and multifamily real estate.*

Roundtable members play a vital role in sharing information, managing and mitigating risk and developing and implementing strategies and tactics to make the commercial facilities sector more secure and resilient against both physical and cyber threats. As a critical element of the nation's infrastructure, real estate continues to face a range of threats from natural catastrophes, international and domestic terrorism, criminal activity, cyberattacks and border security.

### The Homeland Security Task Force (HSTF)

The Roundtable's Homeland Security Task Force (HSTF) focuses on enhancing the commercial facilities sector's ability to meet its current and future security-related challenges by analyzing threats, sharing information and fostering resilience through a broad threat matrix of physical and cyber risks.

*Senior federal policymakers rely on RER as a credible resource more than any other real estate association.*

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The HSTF continues to meet regularly and coordinate briefings with the Office of the Director of National Intelligence (ODNI), the Federal Bureau of Investigation (FBI), the Department of Homeland Security (DHS), and other agencies to discuss potential threats to the sector and enhance risk management and mitigation. HSTF's work also continues with DHS' Commercial Facility Sector Coordinating Council.

The HSTF is working to find new sources and methods to secure high-profile commercial facility sector assets and improve their emergency preparedness.

Special sessions of the HSTF have been held recently in the FBI's Strategic Information and Operations Center (SIOC), at the World Trade Center in New York and the New York Field Office of the FBI. The HSTF works with many of the key leaders in the nation's fight against terrorism.