



September 22, 2010

Honorable Christopher J. Dodd
Senate Banking, Housing, and Urban Affairs Committee
534 Dirksen Senate Office Building
Washington, D.C. 20510

Honorable Richard C. Shelby
Senate Banking, Housing, and Urban Affairs Committee
534 Dirksen Senate Office Building
Washington, D.C. 20510

Re: Reauthorization of the National Flood Insurance Program

Dear Chairman Dodd and Ranking Member Shelby:

On behalf of American Rivers, the National Wildlife Federation and our organizations' collective millions of members and supporters, we appreciate your attention to the need for reauthorization and reform of the National Flood Insurance Program (NFIP). In support of that goal, we offer the following comments.

Although the NFIP has for decades helped many people who have suffered flood losses, and has helped to better inform people about flooding risks, the program faces major challenges and shortcomings that must be addressed through comprehensive reform. Challenges include: increasing intensity and frequency of precipitation events and resulting floods from changes in watershed development, changing climates and increasing sea-levels; increases in population density and development in and near sensitive wetlands, rivers, floodplain and upland areas; a \$19.6 billion debt to the Federal Treasury; outdated and inaccurate floodplain maps; a highly-subsidized rate structure that encourages unwise building and rebuilding in floodplains; and finally, maintaining and repairing flood control structures (to address the de-accreditation of thousands of miles of levees throughout the nation).

The nation is in desperate need of a comprehensive approach to reducing flood risk – one that increases resiliency and protects communities and the environment. Bold action is needed because our past strategies are failing to adequately address these critical concerns. At present we face a future in which population growth and movement into flood prone areas will cause added pressure to build in even more hazardous and sensitive areas – areas which should remain undeveloped and preserved to buffer communities from storm events and floods. The NFIP and

a range of other Federal programs must be adjusted to alter such an unfortunate and misguided outcome.

Natural systems like wetlands, floodplains, upland and coastal areas will naturally buffer communities from the impacts of a changing climate by storing flood waters and reducing impacts from storms. Rather than encouraging citizens to develop and rebuild in hazardous areas, the Federal government should strategically invest in coordinated efforts to mitigate future flood risk. To truly safeguard communities, reforms to the NFIP must provide financial and regulatory incentives to work with nature, not against it.

Efforts to reform the NFIP must include the following:

- All rates should be moved to actuarial levels to reflect the true risk of flood hazards. There must be a strategy to provide flood insurance coverage for low income homeowners living in harm's way. Options based on need must be available to cover low income homeowners and renters while also encouraging the mitigation of risk.
- Flood hazard maps and risk identification should be substantially improved and expanded to include potential inundation areas below dams and behind levees and other flood control system structures in the event of failures, and to reflect a range of other flood risks such as erosion areas, ice jams and other hazards.
- Flood maps should also be expanded to reflect reasonably foreseeable risks from climate change and sea-level rise effects, and should identify more than simply the risk of a 1-percent annual chance flood level, but include a variety of flood potentials and risks based on reasonably anticipated future conditions, including changes in land use and watershed development and effects of urbanization.
- Flooding risks must be much better communicated to the public.
- Mandatory flood insurance purchase requirements should be expanded – not contracted – to include areas with these additional risks.
- Improved and stronger land use regulations, building codes, and building elevation requirements and freeboards should be required and implemented, including limitations on floodplain filling and construction in places such as natural floodways, on barrier islands and coastal surge zones, and in areas providing important natural and beneficial ecological functions, fish and wildlife habitat and natural services (such as water quality, groundwater recharge, and sediment and erosion control).
- Inter-agency hazard mitigation, protection, and restoration of key natural and beneficial functions must be made the heart of the NFIP's risk reduction strategy – not a side exercise.

We are greatly encouraged by the Federal Emergency Management Agency (FEMA) Director Craig Fugate's and the Obama Administration's "Rethinking the NFIP," an 18-month review of the NFIP that is intended to result in administrative and legislative recommendations to guide the course of this program into the future. Given that this review is underway, we urge that the NFIP be reauthorized for no longer than 2 – 3 years at this time. This would allow for FEMA's review process to engage stakeholders and generate legislative and administrative recommendations and options for reforming the NFIP, while also providing stability to the program during this interim period.

We appreciate your consideration of our concerns and recommendations regarding the reauthorization and reform of the NFIP and we very much look forward to working with the Committee as this important process continues.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Fahlund". The signature is fluid and cursive, with the first name being more prominent.

Andrew Fahlund
Senior Vice President for Conservation
American Rivers

A handwritten signature in black ink, appearing to read "Adam Kolton". The signature is fluid and cursive, with the first name being more prominent.

Adam Kolton
Senior Director, Congressional and Federal Affairs
National Wildlife Federation