

**Testimony of David R. Conrad**  
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**Regarding**

**Legislative Proposals to Reform the National Flood Insurance Program**

**Before the**

**Subcommittee on Housing and Community Opportunity**  
**House Committee on Financial Services**

**U.S. House of Representatives**

**April 21, 2010**

Good Morning Chairwoman Waters and Ranking Member Capito and Members of the Subcommittee. I am David R. Conrad and I serve as Senior Water Resources Specialist for the National Wildlife Federation, the nation's largest conservation education and advocacy organization with more than four million members and supporters and affiliate conservation organizations in 47 U.S. states and territories. We greatly appreciate the opportunity to offer our views on legislation to reform the National Flood Insurance Program.

The National Wildlife Federation has had a long and active involvement in the National Flood Insurance Program and we were deeply involved in the legislative reform efforts for this program leading to the 1994 and 2004 NFIP Reform Acts. Unfortunately, despite the program's having provided needed insurance for millions of Americans, having accomplished some of its original goals, and despite some important improvements made in these Reform Acts, including some improved lender compliance, establishment of a Community Rating System and a Flood Mitigation Assistance Program and Severe Repetitive Loss Program, the NFIP now finds itself in the deepest and most serious trouble of its entire 42-year history and without help it could be in danger of eventual collapse.

### **NFIP Facing Its Greatest Crisis and Challenges in the Program's History**

The NFIP currently faces a debt of \$18.75 billion to the U.S. Treasury, a debt service which is likely to rise in the near future, annual revenues of only \$3 billion and virtually no possibility of being able to repay the debt from program revenues. It is in essence bankrupt. While the program has established some minimum standards that are now in place in most communities, it has fundamentally failed to keep pace with and to substantially discourage and reduce the buildup of flood risks and damages across the nation. It has also contributed to the deterioration and loss of important floodplain and coastal habitat areas and decline of valuable and sensitive ecosystems. The program is also now facing a major taxpayer bailout, but given the many problems the program continues to face, we have little reason to believe or confidence that without major changes, this scenario will repeat itself over and over in the future. We do not believe the public or Congress would ultimately continue the program under such conditions.

The NFIP was originally founded on a strategy developed by eminent scientists and government officials in the early 1960's which combined the ideas of identifying flood risks (generally through mapping), developing and implementing risk-reducing land use and building codes, and providing affordable insurance that was not otherwise available in the private markets. Forty years later, we find major failures on each of these fronts, we believe largely because of failure to charge actuarially sound rates and to aggressively mitigate risks. National flood damages, particularly from major flooding events – rather than decreasing as the founders would have hoped – are now rising almost exponentially.

The NFIP has failed to adequately restrict growth in high-risk floodprone and environmentally-sensitive areas. Additionally, there is growing evidence that frequency and severity of major

storms and hurricanes are increasing in many areas due in part to climate change and sea-level rise factors and land development, yet the NFIP has done little to anticipate the enormous potential for flood-related losses these changes portend.

### **Climate Change Presents Significant New Threats of Flooding.**

Climate change is causing heavier rainfall, changing patterns of snowfall, bringing more severe hurricanes, and increasing sea level, all of which will increase flooding risk and likely exacerbate already increasing flooding damage. Across the nation, precipitation is already more likely to fall in heavy downpours than in light sprinkles, a trend expected to continue as the atmosphere continues warming.<sup>1</sup>

- In the Midwest and Northeast, big storms that historically would only be seen once every 20 years are projected to happen as often as every 4 to 6 years by the end of the 21st century.<sup>2</sup>
- Winter precipitation is beginning to shift toward more rain instead of snow. The fraction of wintertime precipitation falling as snow declined by 9 percent since 1949 in the Western United States and 23 percent in the Northeast. The biggest shifts from snow to rain are in March for all regions studied, December in New England, and January along the Pacific coast.<sup>3</sup>
- Rain-on-snow events may become more common in some locations.<sup>4</sup> Recent events in the Pacific Northwest have caused extensive and notable flooding. In January 2009, tens of thousands were evacuated and major transportation routes were closed when 10 inches of rain fell over 2 days, causing major snow melt and flooding in western Washington State.<sup>5</sup>

At the same time, scientists have been gaining confidence in projections for more intense hurricanes and tropical storms in the future, even as they continue to debate whether they can detect the signal of climate change in the records of past storms. The latest studies indicate that hurricanes will have stronger winds and more rainfall, but will become somewhat less frequent.<sup>6</sup>

- The mean maximum wind speed of tropical cyclones is likely to increase by 2 to 11 percent globally by the end of the century. The biggest changes may occur for the most intense storms, with the wind speeds of these storms increasing by a significantly larger

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<sup>1</sup> CCSP, 2008a. *Weather and Climate Extremes in a Changing Climate. Regions of Focus: North America, Hawaii, Caribbean, and U.S. Pacific Islands.* A Report by the U.S. Climate Change Science Program and the Subcommittee on Global Change Research. [Thomas R. Karl, Gerald A. Meehl, Christopher D. Miller, Susan J. Hassol, Anne M. Waple, and William L. Murray (eds.)] Department of Commerce, NOAA's National Climatic Data Center, Washington DC, USA, 164 pp.

<sup>2</sup> CCSP, 2008a

<sup>3</sup> CCSP, 2008a

<sup>4</sup> Hamlet, A.F., and D.P. Lettenmaier, 2007. Effects of 20<sup>th</sup> Century Warming and Climate Variability on Flood Risk in the Western U.S., *Water Resources Research* 43:W06427.

<sup>5</sup> Mapes, L.V., January 1, 2010, 2009 Was a Year of Weather Extremes. *The Seattle Times*.

<sup>6</sup> Knutson, T.R., et al., 2010. Tropical cyclones and climate change. *Nature Geosciences Advance Online Publication* on February 21, 2010, DOI: 10.1038/NGEO779.

percentage.<sup>7</sup> While these changes in wind speed may seem small, they can translate into large increases in damages. For example, a 10 percent increase in wind speed of a category 4 hurricane can increase damages by about 50 percent.<sup>8</sup>

- All climate models project more rainfall from tropical cyclones in a warmer climate. The latest projections are that rainfall from hurricanes may increase from 3 to 37 percent.<sup>9</sup> The average increase projected by the late 21<sup>st</sup> century is about 20 percent within 62 miles of the storm center.<sup>10</sup>

Sea-level rise will even further increase the vulnerability of states along the Gulf and Atlantic coasts to storm-surge flooding. When a tropical storm hits, higher sea-level translates into bigger storm surges that can cause flooding further inland. Sea-level rise will also endanger coastal wetlands and barrier islands that form a first line of defense and help buffer coastal areas against hurricanes and storm surges. Even in the unlikely circumstance that the characteristics of tropical cyclones do not change, scientists are highly confident that sea level is rising and that coastal areas will have a greater risk of damaging storm surge. Globally, sea level has already increased by about 7 inches over the past century due to thermal expansion of water and the melting of land-based glaciers and ice.<sup>11</sup> Additional increases in sea level are considered inevitable; the question only remains as to how much and how fast.

- In 2007, the Intergovernmental Panel on Climate Change projected that sea level would rise 7 to 23 inches by 2100.<sup>12</sup> More recent studies indicate that sea level could rise much more rapidly; for example, Martin Vermeer and Stefan Rahmstorf projected 2.4 to 6.2 feet of sea-level rise over the same time period.<sup>13</sup> To put this in perspective, a two-foot rise in sea level would mean regular inundation for 2,200 miles of major roads and 900 miles of railroads in Maryland, Virginia, North Carolina and the District of Columbia.<sup>14</sup>
- Ideally, coastal wetlands (and their ability to buffer storm surge impacts) would survive by migrating inland as sea levels rise. However, a recent study of land-use plans for states

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<sup>7</sup> Knutson et al., 2010.

<sup>8</sup> CCSP, 2008a

<sup>9</sup> Knutson et al., 2010.

<sup>10</sup> Knutson et al., 2010.

<sup>11</sup> Intergovernmental Panel on Climate Change (IPCC), 2007. *Climate Change 2007: The Physical Science Basis. Contribution of Working Group I to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change* [Solomon, S., D. Qin, M. Manning, Z. Chen, M. Marquis, K.B. Averyt, M. Tignor and H.L. Miller (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, 996 pp.

<sup>12</sup> IPCC, 2007.

<sup>13</sup> Vermeer, M., and S. Rahmstorf, 2009. Global sea level linked to global temperature. *Proceedings of the National Academy of Sciences*. 106(51): 21,527–21,532.

<sup>14</sup> CCSP. 2008b. *Impacts of Climate Change and Variability on Transportation Systems and Infrastructure: Gulf Coast Study, Phase I.A Report* by the U.S. Climate Change Science Program and the Subcommittee on Global Change Research [Savonis, M.J., V.R. Burkett, and J.R. Potter (eds.)]. Department of Transportation, Washington, DC, USA, 445 pp.

and local areas along the U.S. Atlantic coasts found that less than 10 percent of land within about 3 feet of the current sea level has been set aside for conservation.<sup>15</sup>

### **Broad Changes Are Needed.**

The National Wildlife Federation believes the NFIP is in immediate need of a complete and total review to overhaul the program and to devise new strategies to address its missions. We are extremely concerned the legislation under consideration here today will fall far short of addressing the most critical problems facing the program. Some of the measures proposed in the legislation have major potential to make the financial and environmental problems worse.

Broadly speaking, we believe many changes should be made to place the NFIP on a more sound footing. To seriously improve the program, the following broad actions should be taken:

- all rates should be moved to actuarial levels to reflect the true risk of flood hazards;
- means-tested assistance should be developed for low income homeowners and renters to obtain needed insurance while also finding the means to mitigate their own flood risks;
- 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 from 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, 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) should be required and implemented;
- hazard mitigation and protection of key natural and beneficial functions must be made the heart of the NFIP's risk reduction strategy – not a side exercise.

### **Urge a Three-Year Reauthorization to Match Obama Administration Approach**

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<sup>15</sup> Titus, J.G., et al., 2009. State and local governments plan for development of most land vulnerable to rising sea level along the US Atlantic coast. *Environmental Research Letters* 4: 044008 (7pp).

The legislation before the Committee does not address most of the above concerns. We understand the goal of the current legislation is primarily to address certain immediate financial concerns and has not been intended to address the full range of failings and issues facing the NFIP. We are greatly encouraged by FEMA Director Craig Fugate's and the Obama Administration's decision to initiate a major two-year effort to review the NFIP, with the intent to make comprehensive administrative and legislative recommendations to guide the course of this program into the future. This effort has tasked a FEMA NFIP Working Group to identify and analyze options for the future of the NFIP, including the results of a listening session conducted in November, 2009, with over 100 stakeholder representatives and experts, additional listening sessions, review of scores of studies and reports that have been prepared in recent years.

We are concerned, however, that the Discussion Draft proposes a 5-Year NFIP reauthorization without addressing many of the program's fundamental problems. We would strongly urge instead that the authorization be limited to possibly 30 months or at most three years, because the history of such long-term authorizations is often to delay critical attention being paid to addressing systemic problems, many of which will require Congressional action for resolution. We do not believe the longer period will likely bring stability to this sector of the housing market, but what is most needed for stability is a rapid and honest response to the major challenges faced by the NFIP.

### **Oppose Addition of Wind Insurance to NFIP -- H.R. 1264, Multiple Peril Insurance Act of 2009**

H.R. 1264 proposes that insurance against wind damage be added to the National Flood Insurance Program. The National Wildlife Federation believes such an addition could severely undermine an already staggering NFIP. We strongly urge members of the Committee to oppose such an addition.

While we have great sympathy for homeowners who experienced post-Katrina difficulties in adjusting wind and flood claims, we believe these are areas that should be left to state insurance regulation systems and FEMA adjustment procedures. We do not believe the Federal government should get into the business of assuming liabilities and responsibilities for wind coverage that has largely been well-served by private sector insurance and reinsurance industries. Wind-related insurance coverage is not an area in which FEMA or the NFIP have special expertise. The total risk potential of wind damages could dwarf the risks related to floods.

In addition, H.R. 1264 would make citizens believe that they are protected from catastrophic losses, when they are not. Despite the bill's statement that rates are intended to be actuarial, it is precisely the shift of risk to the Federal government that could result in rates that mask the true risks of wind hazards and remove an important signal for residents to manage and mitigate their own risks. For over forty years this has been a key weakness of the NFIP, and H.R. 1264 will only exacerbate and amplify that weakness.

The bill seriously fails to establish any effective means of mitigating and reducing risks. Provisions such as requiring that coverage be limited “unless an appropriate public body shall have adopted adequate mitigation measures . . . consistent with . . . International Code Council building codes relating to wind mitigation” still would leave FEMA without effective tools directly or indirectly to control and manage land use and zoning (which building codes do not address), and would fail to manage many of the critical risks the bill proposes to insure.

At this time, when the NFIP is truly in a financial crisis, having failed to adequately manage flooding risk after forty years, we believe it would be a major mistake to add wind coverage, a major peril once again for which FEMA lacks any track record or special expertise, and which we believe would distract attention from much needed critical NFIP program reform efforts.

### **April 15, 2010 “Flood Insurance Reform and Priorities Act of 2010” Discussion Draft -- General Comments**

Once again, we appreciate this Subcommittee’s efforts to develop reform legislation for the National Flood Insurance Program. As we have said we continue to be concerned that the Draft legislation is thus far narrowly constrained to financial and rate related issues, but we understand that this is not intended to be the comprehensive reform legislation that will be needed. There is no question that with the growing effects of climate change, population growth and changes in watersheds and land uses, much more needs to be done now and in the very near future to address flooding risks and the way the NFIP is structured and operated to be fiscally and environmentally sound.

In general the history of the NFIP has been that subsidized flood insurance rates are created, but afterward the subsidized rates are seldom, if ever, moved to actuarial levels. We are pleased that Section 5 if the bill mandates a five-year phase out of pre-FIRM subsidies for two major classes of properties -- nonresidential properties and non-primary residences. Long-grandfathered vacation homes, second homes and business properties will have rates moving closer to reflecting their true flood risk. In a few years this will help stem the substantial annual losses associated with these flood insurance policies. We urge Members to consider amending this provision to add other major classes of heavily subsidized classes of properties that are heavily impacting the financial health of the NFIP.

### **Repetitive Loss Properties and Severe Repetitive Loss Properties.**

In 1998, the National Wildlife Federation completed and released a landmark report entitled *Higher Ground* on the NFIP repetitive flood loss properties – those that have two or more paid claims of at least \$1000 each over a rolling 10-year period. At that time our report showed there were 74,501 repetitive loss properties in the NFIP – approximately 2 percent of insured

properties – with 200,182 paid claims from 1978 – 1995, which had cost the NFIP \$2.581 billion – approximately 40 percent of all claims paid.

Today, despite Congress’ efforts in the 1994 and 2004 Flood Insurance Reform Acts, the total number of repetitive loss properties has grown to 153,000 repetitive loss properties with 447,700 claims that have cost the NFIP \$10.692 billion. Within these properties, 9129 properties are “severe repetitive losses” with 50,607 losses that have cost the NFIP over \$1.5 billion.

Many of these properties have for decades continued to receive highly-subsidized pre-FIRM rates. The subsidies have continued to discourage many building owners to substantially mitigate risks. We would strongly urge the Committee to amend Section 5 to include severe repetitive loss properties and repetitive loss properties whose cumulative claims exceed the fair market value of the property to non-residential and non-primary residential properties being phased-in to receive actuarial rates.

Finally, and as we describe in the detailed comments below, the Federation is extremely concerned about provisions in Sections 6 and 10 in the Discussion Draft that would delay or waive the requirements for mandatory flood insurance purchase where residents remain vulnerable and inadequately protected from flooding. We urge the Committee to reject such provisions. These run contrary to basic premises of the NFIP and should not be included in any flood insurance reform bill.

### **Specific Comments on Discussion Draft:**

#### **Sec. 2. Findings and Purposes.**

We recommend three findings be added: first, to recognize the very difficult financial condition that exists with the NFIP; second, that FEMA is undertaking a major up-to-two year critical review and comprehensive analysis to consider the largest breadth of public policy options to make recommendations regarding issues of immediate concern and to establish a solid foundation for the NFIP’s future; and third, that this review should be timely delivered to Congress and it is expected along with other studies and reports to assist Congress and the Administration to comprehensively address many of the problems that may not be comprehensively addressed in the present legislation.

**Sec. 3. Extension of the National Flood Insurance Program.** The Federation strongly recommends that the extension in this section be for **not longer than three years**. FEMA is currently embarking on an important up-to-two-year review to make comprehensive legislative and administrative recommendations for the Program’s future. A longer authorization would likely delay concerted action in response to this critical review.

**Sec. 4. Maximum Coverage Limits.** The Federation urges the Committee not to increase NFIP maximum coverage limits at this time, but instead to urge FEMA to promote more availability of

private sector coverage perhaps among WYO companies for the higher level amounts. We understand more of a market has begun to develop in recent years to provide additional coverage.

#### **Sec. 5. Phase-In of Actuarial Rates for Nonresidential Properties and Non-Primary Residences.**

The Federation supports moving all non-residential and non-primary residential properties to actuarial rates. Our 1998 *Higher Ground* report identified the subsidized rates of many repetitive loss properties receiving their insurance at less than 40 percent of actuarial rates were often not sufficiently incentivized to mitigate their risks, and the costs of these properties were and continue to be a major drain on the NFIP Fund. We recommend in addition that subsidized rates for other high-loss properties be moved to actuarial levels, such as *severe repetitive loss properties, properties with cumulative losses that exceed the property value, or properties with substantial damage or substantial improvement properties.*

#### **Sec. 6. 5-Year Delay In Effective Date of Mandatory Purchase Requirement for New Flood Hazard Areas.**

The Federation strongly opposes this provision as drafted because it would leave property owners in flood hazard areas vulnerable to major losses with only greatly limited disaster assistance as a back-up. This provision should be stricken. The rate phase-in proposed in Section 7 is a better mechanism to lessen the degree of immediate impact of being newly mapped into special flood hazard areas, while assuring homes and businesses are covered for the known high hazard risk.

#### **Sec. 7. 5-Year Phase-In of Flood Insurance Rates for Newly Mapped Areas.**

This section establishes a 5-year phase-in to the actuarial risk-based rate for any properties newly mapped into special flood hazard areas in increments of 20 percent of the actuarial rate added each year. The Federation understands that, especially for low-income homeowners and renters, the new cost of flood insurance may be a financial hardship, and we would support such a phase-in for these properties of low income residents. It is critical especially for these residents to have flood insurance. Many of these residents would be the least able to afford the devastation associated with significant flood damages, and mitigation of their risk should be the principal and overriding Federal objective.

We would urge that the Committee consider a more rapid phase-in to actuarial rates of other properties, including second homes, vacation homes and business properties, such as two to four years. This would further limit the exposure of Federal taxpayers for large potential losses and appropriately incentivize risk mitigation by the owners and their communities.

We would also urge consideration of potential means-tested Federal housing aid for low-income residents over a limited period. We are concerned about creating a moral hazard, however, in the

event of any permanent-type subsidization of lower income residents to live in high hazard flood prone areas. Any such assistance or voucher-type program must be accompanied by hazard mitigation assistance, as well.

#### **Sec. 8. Increase in Annual Limitation on Premium Increases.**

NWF supports this provision. The provision raises the cap on annual premium rate increases from 10 to 20 percent, allowing FEMA to bring rates toward actuarial more easily. Affordability issues should be addressed differently and not by masking true actuarial risk-based rates.

#### **Sec. 9. Consideration of Construction, Reconstruction, and Improvement of Flood Protection Systems in Determination of Flood Insurance Rates.**

The Federation urges modification of this Section. NWF is concerned that in Section 9 in those situations where local flood protection systems have been found to be discredited and local agencies or flood protection system owners are attempting to get a restoration zone status to set rates for properties as if the flood protection system were restored and in place, the position of FEMA and the Federal government is substantially weakened by removing Federal agency discretion in finding whether the flood protection system is “restorable,” by expanding the provision to include coastal flood protection systems which in many cases are temporary and not reliable in the long term, and by potentially reducing the criteria for “adequate progress” toward restoring flood protection systems, such that it could be many years before actual restoration is completed. For example, coastal flood protection projects – often bulkheads, sea-walls, jetties or beach sand pumping and placement that can rapidly deteriorate – especially in the face of increasing sea-level rise and more powerful coastal storms. Thus with these amendments the NFIP could wind up providing major rate subsidies for long periods or potentially indefinitely. This would, once again, likely result in discouraging many building owners and residents to mitigate their own risks, and would expose the Federal taxpayers now backstopping the currently insolvent NFIP to much greater losses.

We urge that, at the very least, these provisions be modified to retain Federal agency and FEMA judgment and concurrence on whether the flood protection system is “restorable,” and FEMA must retain key involvement. It is critical that the legislation not discourage or impair FEMA’s ability to assure that the conditions and timing of construction, completion and fiscal arrangements in restoring protection will be completed and operational in a relatively short time. If not, it is not reasonable to extend the level of highly subsidized insurance for a long and especially open-ended period, especially where there is no involvement of Federal agencies or funds in restoring the flood protection system.

#### **Sec. 10. Treatment of Certain Flood Protection Projects.**

The Federation **strongly opposes** this provision. It would leave many people at risk of flooding without flood protection or flood insurance. We urge that this provision be stricken. It would

permanently exempt from the NFIP's mandatory purchase requirement any area that has previously been certified with protection from at least the 1 percent annual chance flood (100-year flood). Even if conditions have radically changed, the bill would continue to exempt these areas from the mandatory purchase requirement. We do not believe this is wise policy and it would leave potentially hundreds of thousands of residents who are at substantial risk of flooding without flood insurance.

Second, Section 10 would permanently set the rates for flood insurance at the lowest possible rate while a restoration of the flood protection system is proceeding. Because the bill would weaken Federal discretion and judgment on whether the restoration was proceeding at a reasonable and rapid rate the Federal taxpayers are at risk of major losses. It appears that the same extremely low rate would apply even if it has been determined, based on changed "waterflow data or other scientific information obtained after, or that has changed since, commencement of construction, reconstruction, or improvement," that the flood protection system would not provide 100-year level of protection, even when it is completed.

There are hundreds of potential situations across the nation where this provision could ultimately apply. We are aware of at least one case on the Middle Mississippi River where recent scientific studies exhibit cavalier and potentially irresponsible manipulation of hydrologic data that may have resulted in significant underestimation of flood elevations from large floods, thus masking the true flooding risk for major populations in that region.<sup>16</sup> In this case, scientists are currently saying that flood risks are substantially higher than Corps of Engineers flow frequency models identify and thus the NFIP flood maps are also underestimating the risk. The Federation strongly urges the Committee not to adopt such language, which would bar FEMA from applying the NFIP requirements to properly inform the public and assure the necessary purchase of insurance to assist and protect residents where true flood risks exist.

**Sec. 11. Exception to Waiting Period for Effective Date of Policies.** Such an exception when a policy is purchased within 30 days of a purchase or transfer of property seems reasonable.

**Sec. 12. Enforcement.** The Federation supports strengthening penalties for failures by lenders to meet NFIP requirements associated with the mandatory purchase requirements. Any penalties collected are used for mitigation activities, which also improve the financial condition of the NFIP. We urge the Committee to strike the provision's "good faith" exception, which might negate the intended effect of spurring lenders to improve their compliance.

**Sec. 13. Notification of Tenants of Availability of Contents Insurance.** NWF supports this provision to improve outreach to tenants.

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<sup>16</sup> Pinter, N., et. Al., Historical discharge measurements on the Middle Mississippi River, USA: no basis for 'changing history' *Hydrol. Process.* **24**, 1088–1093 (2010)

**Sec. 14. Flood Insurance Outreach Grants.** Sec. 14 authorizes up to \$50,000,000 annually for 5 years (FY 2011-2015) for up to 75 percent grants to local communities for education and outreach to owners and tenants on availability and value of purchasing insurance. Such a program should also include outreach regarding flood risk mitigation for homeowners, renters and businesses, and should include state-level involvement.

**Sec. 16. Authorization of Additional Staff.** The Federation would support this authorization of additional staffing at FEMA.

**Sec. 19. Study Regarding Mandatory Purchase Requirement for Natural 100-Year Floodplain and Non-Federally Related Loans.**

Given the Federation’s increasing concerns regarding how climate change and sea-level rise are in many areas increasing flooding risk and increasing uncertainty of future large floods the nation may experience, the Federation supports expanding the areas and numbers of homeowners that carry flood insurance. A provision with this title was included in the House-passed H.R. 3121 in the 110<sup>th</sup> Congress, however, the language in the Discussion Draft is only limited to a study of expanding coverage requirements to non-Federally Related Loans, and does not include a study “Regarding Mandatory Purchase Requirement for Natural 100-Year Floodplain.”

Rather than authorizing a study, the Federation would strongly urge the Committee to amend this section to authorize FEMA to expand its mapping program, working with other federal agencies and state and local partners, to add identification of “natural 100-year floodplains” and “residual risk areas,” including inundation areas below dams and behind levees and other flood control structures in the event of failure of protection systems, and authorize the Director of FEMA to extend mandatory purchase and set appropriate risk-based flood insurance rates for these risk zones. These are critical areas to be added to the NFIP to provide protection to the public and as the effects of global warming, aging of the nation’s infrastructure and other developments are occurring.

**Conclusion**

Once again, the National Wildlife Federation greatly appreciates the opportunity to provide our views on legislation to reform the National Flood Insurance Program. We look forward to working with the Committee as the process continues, and I would look forward to responding to any questions Members may have.