

STATEMENT OF CHAIRMAN LANDRIEU

Flood Preparedness & Mitigation: Map Modernization, Levee Inspections, & Levee Repairs

Joint Hearing of the Subcommittee on Disaster Recovery & the Subcommittee on State, Local, and Private Sector Preparedness and Integration

July 28, 2010

Introduction

Good morning, and thank you all for attending this afternoon's hearing on flood preparedness and mitigation. I am pleased to be joined by my Ranking Member, as well as the Chair and Ranking Member of our sister subcommittee, with whom we work so closely on disaster management issues. I would like to begin by outlining some of the questions we will address in today's hearing, and then offer a few remarks on flood insurance, flood maps, and flood protection.

Questions this Hearing will address

Over the course of today's proceedings, we will seek to address the following questions:

- 1) Are FEMA's flood maps technically accurate, and if not, how can they be improved?
- 2) How will FEMA's new process for resolving map disputes with local communities work?
- 3) Should the Corps of Engineers offer to inspect locally-owned levees, and how else can local governments finance these costly engineering inspections?
- 4) Should the Corps of Engineers share in the cost to repair locally-owned levees, and how else can localities finance repairs?
- 5) What can be done to improve outreach to property owners earlier in the mapping process?

Landrieu Letter & FEMA's Response

On March 18th, Senator Pryor and I sent a letter with 14 other Senators to FEMA and the Corps of Engineers outlining our concerns about flood mapping methods and community outreach, insurance affordability, and challenges repairing flood control structures. In response to this letter, FEMA has taken meaningful action to address affordability and map disputes.

The NFIP will begin offering low-cost Preferred Risk Policies for a two-year period beginning January 1st to qualified homeowners who live in areas recently re-designated as flood zones. FEMA will also establish independent Scientific Resolution Panels to settle flood map disputes between the agency and local communities. These panels will become operational November 1st and will likely be comprised of experts from the National Institute of Building Sciences.

I will submit a copy of the letter we sent for the hearing record, along with FEMA's response and a document that provides additional details on the Scientific Resolution Panel. I appreciate the administration's action-oriented response, and look forward to learning more about these new options during the course of today's hearing.

National Flood Insurance Program (NFIP)

Flood insurance was not widely available or affordable on the private market before 1968, when the federal government created a program to protect homeowners from the nation's single greatest hazard. The

program was designed to help people not penalize them. Those who choose not to purchase insurance risk losing everything they own and being left without resources to rebuild their homes. Without flood insurance, the most they can receive from FEMA for repairs is about \$30,000, and many of them would be forced to take out loans instead.

But the program was also intended to make people who live in vulnerable areas share the financial risk for repairing damaged property after a disaster. Things haven't worked out exactly as intended. As of April, the program owed \$18.8 billion in debt because it's not actuarially sound. Only around 50% of the people who are at risk of flooding pay into the program, and many of them pay premiums that are heavily subsidized and do not reflect their actual risk.

So we understand that FEMA must get its financial house in order with regard to this program, and while added expenses are never welcomed by homeowners during difficult economic times, this program was intended to be self-sustaining, not taxpayer-funded. Political reluctance to charge actuarially sound rates or withhold assistance from property owners that fail to elevate, relocate, or purchase insurance, has plunged the program so deep into debt, that Americans currently pay tens of millions each year just to cover the accrued interest.

Flood Maps

Congress authorized the FEMA Map Modernization Program in 2003 to update maps that were 20 or 30 years old in most cases, put them in a digital format that can be shared with local planners, emergency managers, and homeowners, and provide the National Flood Insurance Program with better risk information to set its rates. Since Map Modernization began, FEMA has re-mapped 13,000 communities encompassing 80% of the nation's population.

The need for solid elevation data is an important part of this process. National Elevation Dataset maintained by the U.S. Geological Survey dates back to 1970, and as we will hear from Dr. Maidment and Dr. Suhayda, sonar data called LIDAR is critical to refining risk maps so we can distinguish not just between structures being inside or outside the floodplain, but also account for the differences within the floodplain, based on features of the terrain and the height of the structures. Without elevation data, FEMA cannot issue Base Flood Elevations (BFEs), and communities cannot make informed decisions about land use, new construction, or mitigation projects.

Levee Failures

The United States has approximately 100,000 miles of levees in 22% of its counties protecting 43% of the population. We have witnessed major levee failures in recent years that cost thousands of lives and billions of dollars in damage, including New Orleans in 2005, the Midwest in 2008, North Dakota and Georgia in 2009, and earlier this year in Rhode Island and Tennessee. So we have come to realize that levees are not infallible, and we must create a workable system that provides for their proper design, maintenance, and upkeep. Levees erode and decay over time, and we cannot ascribe protective qualities to them without monitoring and certifying their integrity. But as Representative Melhoff will describe, local governments are struggling to pay for levee inspections and repairs, so we must consider whether an expanded federal role may be appropriate, in providing technical assistance and financial resources for these activities.

While this hearing is focused specifically on levees as a method of flood control, we must also re-focus the nation's attention on *non-structural* measures of protecting people, which may also produce new economic and environmental benefits. These include integrated water management, urban water retention,

utilization of the natural floodplain, and coastal restoration. Now more than ever, the staggering nationwide cost of levee maintenance and repairs, combined with the impacts of climate change and rising sea levels, dictate the need for this country to re-examine the way we live with water.

Conclusion

I am not interested in expanding the Flood Insurance Program's multi-billion dollar deficit by continuing to delay maps, freeze premiums, and put off hard choices. Nor should we obfuscate risk by declaring local levees safe when engineers doubt their capacity to perform during a flood.

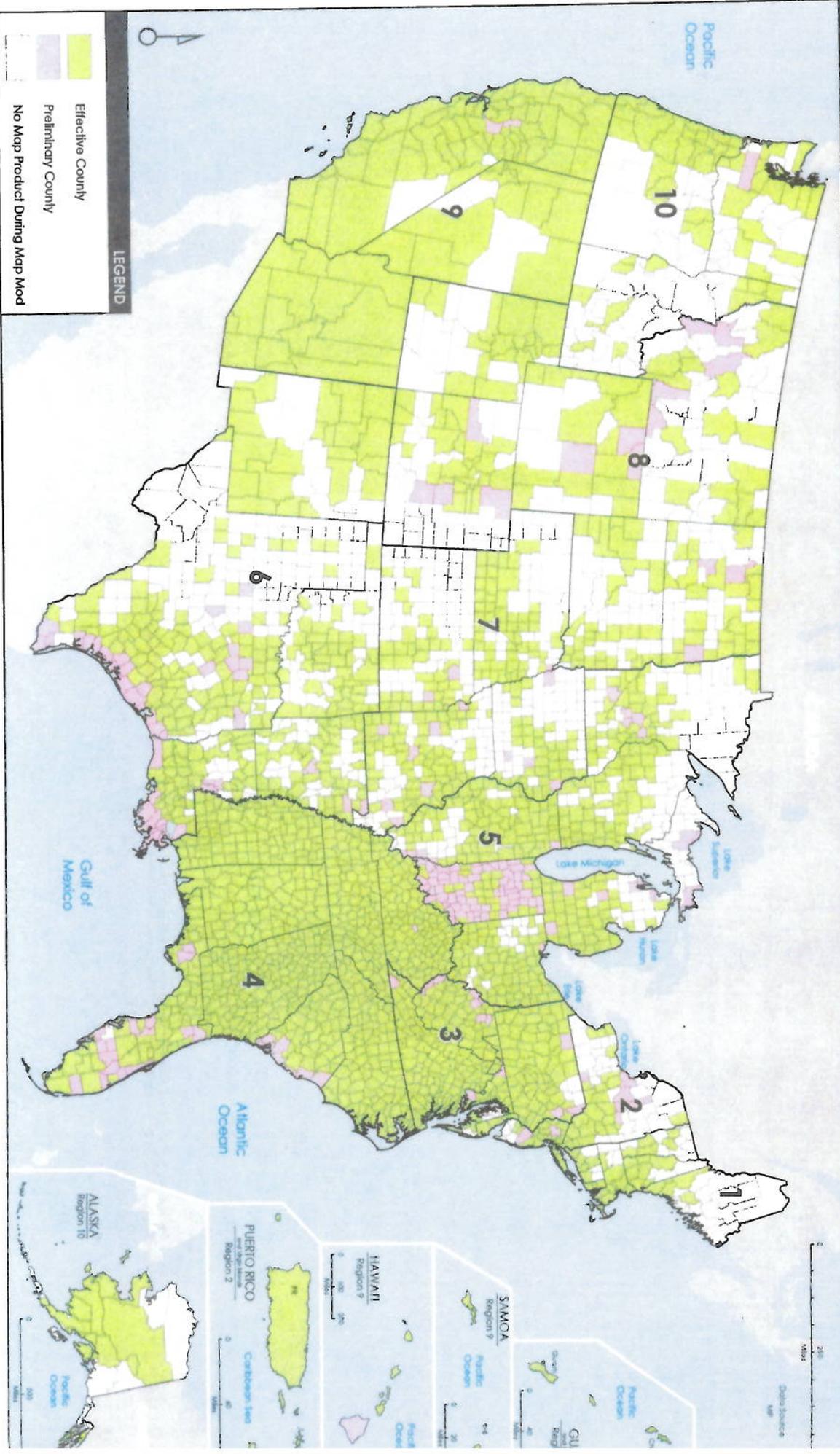
But FEMA and the Corps of Engineers need to lean forward as much as possible to improve map accuracy, build capacity among the states to do their own mapping and floodplain management, and provide additional resources and technical support for local levee inspections and repairs. States and localities must take emergency preparedness seriously enough to invest in levee maintenance and build political consensus around it. And property owners need to fully understand the flood risks that exist in the places where they live, and the costs and tradeoffs required to effectively mitigate them.

I am confident that we can build a holistic and sustainable approach toward flood preparedness and risk mitigation in this country, and I look forward to hearing suggestions from the witnesses who are with us today about how we can get there.

NATIONAL FLOOD INSURANCE PROGRAM
 Map 1: Map Mod Projected Status of Mapping Activities through FY11



FEMA
 As of May 2011

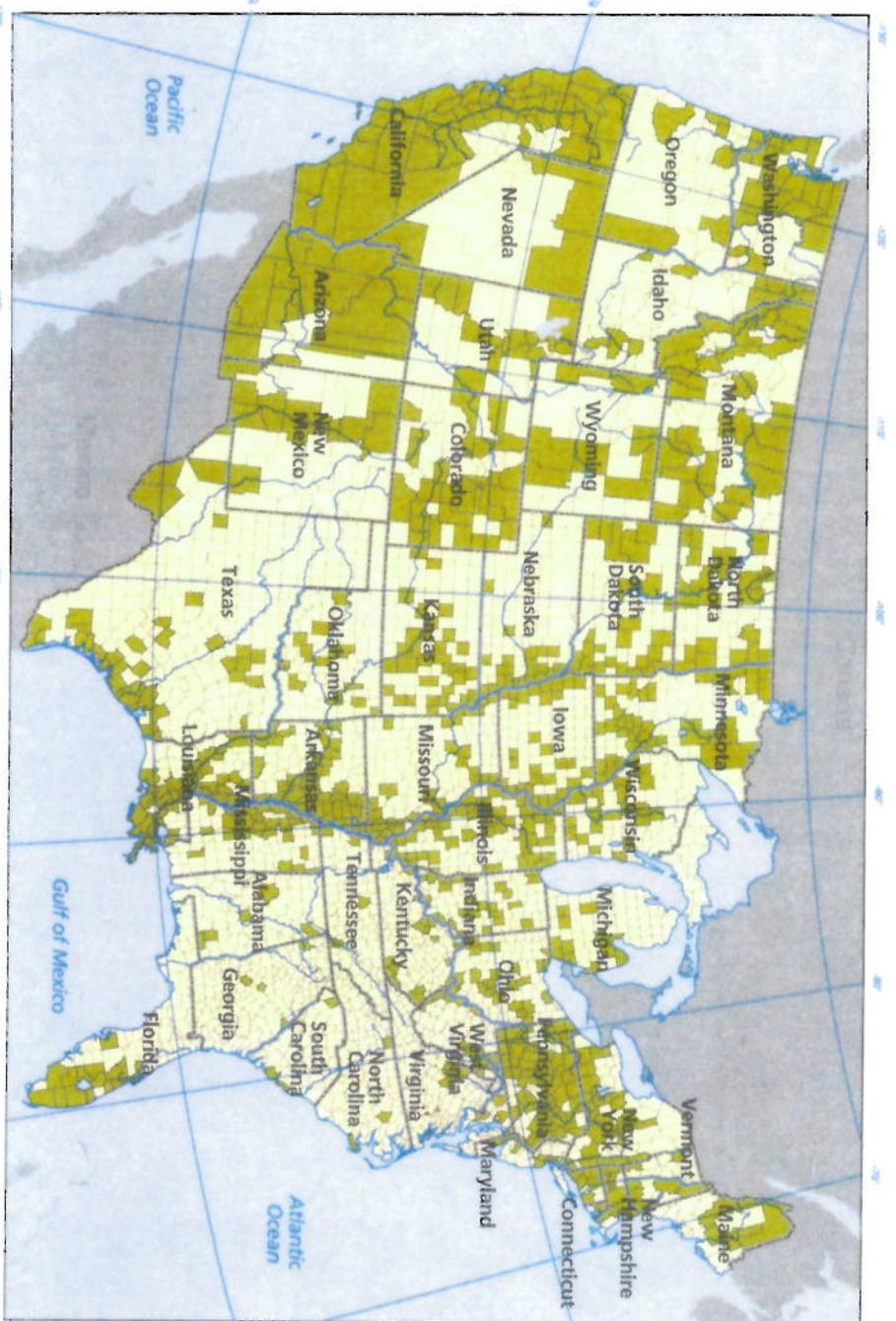
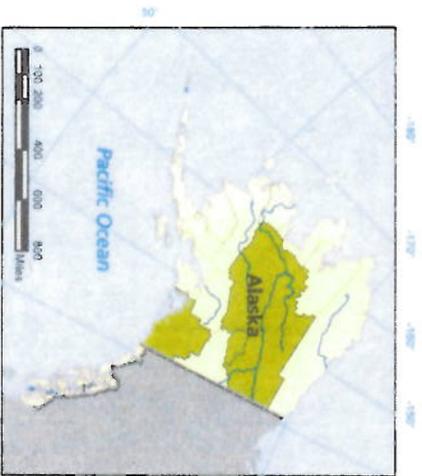




United States Counties where levees are found.



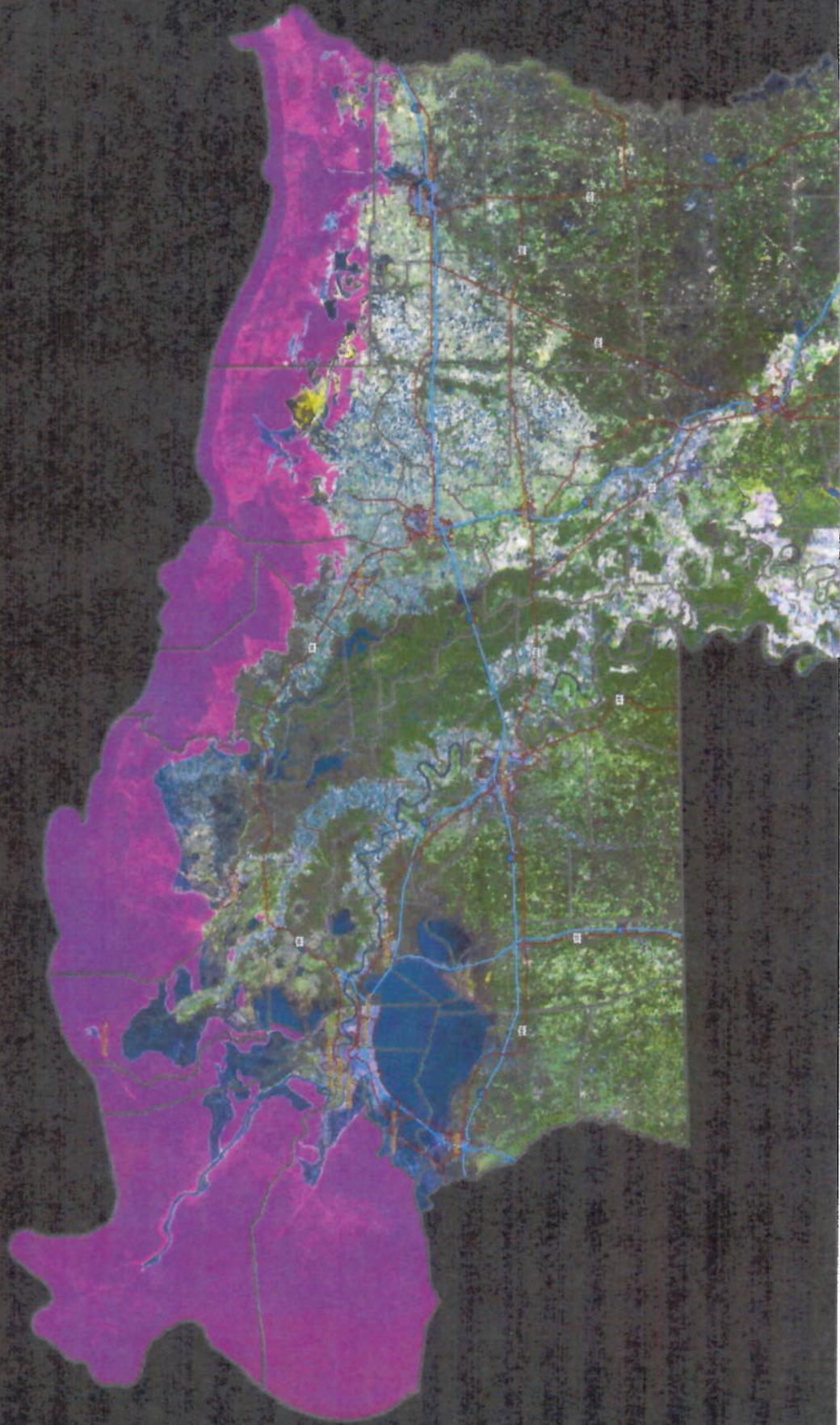
April 1, 1997 — The flag still flies over this flooded East Grand Forks, Minnesota neighborhood.
David Saville/FEMA News



Note: A national levee inventory project is underway. Information shown on this map is current as of August 2009 but may change in the future.

Legend

-  Interstate Highway
-  US Highway
-  Parish Boundaries
-  Preliminary D-FIRM Coastal V-Zones
-  Communities



FEMA PRELIMINARY D-FIRMS
COASTAL VELOCITY ZONES - LOUISIANA

PREFERRED RISK POLICY RATES

*No Basement or Enclosure

*Deductible – Standard

*Rates Effective October 1, 2009

COVERAGE AMOUNT Building / Contents	ANNUAL PREMIUM Zones B, C, X (Pre-/Post-FIRM)	ANNUAL PREMIUM A Zones (Pre-FIRM)	ANNUAL PREMIUM V Zones (Pre-FIRM)
\$50,000 / \$10,000	\$431 / \$155	\$490 / \$132	\$605 / \$158
\$100,000 / \$30,000	\$593 / \$354	\$794 / \$327	\$1,296 / \$470
\$150,000 / \$50,000	\$698 / \$428	\$1,079 / \$533	\$2,036 / \$978
\$250,000 / \$100,000	\$906 / \$613	\$1,634 / \$1,048	\$3,501 / \$2,248