

STATEMENT FOR THE RECORD

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BEFORE
THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
U.S. SENATE
WASHINGTON, D.C.

“THE NATIONAL FLOOD INSURANCE PROGRAM: REVIEWING THE
RECOMMENDATIONS OF THE TECHNICAL MAPPING ADVISORY COUNCIL’S 2015
ANNUAL REPORT”

Submitted
By

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Introduction

Good morning Chairman Shelby, Ranking Member Brown, and Members of the Committee. My name is Roy Wright, and I am the Deputy Associate Administrator for Insurance and Mitigation, responsible for directing FEMA's risk management, mitigation, and flood insurance programs. Thank you for the opportunity to testify about FEMA's Technical Mapping Advisory Council (TMAC).

Today, I will provide an overview of the TMAC and the reports and recommendations it has provided to FEMA since it was established in late 2014. I will also speak about FEMA's strategy for implementing the recommendations, which vary in complexity and level of effort required to address them, and well as the progress we have made to date. The Council's recommendations will aid FEMA in furthering our efforts to provide communities with the best available data and tools to make better informed decisions that reduce the risk and consequences of flooding nationwide.

TMAC Background

Under the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12), Congress established the TMAC and authorized specific statutory duties. The TMAC is tasked to provide recommendations on how to improve, in a cost-effective manner, FEMA's flood mapping program to ensure that Flood Insurance Rate Maps (FIRMs) reflect the best available science and utilize the best available methodologies for considering the impact of future development on flood risk. Consisting of government and private sector experts from across the country and a diverse group of flood map stakeholders, in September 2014, the TMAC convened for its first public meeting. During its first year, the TMAC developed recommendations that it provided to FEMA through two reports in January 2016: a 2015 Annual Report and a Future Conditions Risk Assessment and Modeling Report. The TMAC annual report describe the Council's activities, evaluate FIRM activities, and summarize the Council's recommendations.

The Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) requires FEMA to implement a flood mapping program, after a review by the TMAC. When the program is applied, it will result in technically credible flood hazard data in all areas where flood maps are prepared or updated. In July 2016, the TMAC submitted the TMAC 2016 Flood Mapping Program Review as required. This report included 14 recommendations to assist the agency to provide technically credible flood hazard data into the future. Based on this advice and my recommendation, the Administrator has certified the flood mapping program as credible.

Composition of the TMAC is defined in BW-12 and includes four designated members and sixteen appointed members. The four designated members of the Council serve as regular government employees (or the designees thereof) and consist of the FEMA Administrator, the Secretary of the Interior, the Secretary of Agriculture, and the Under Secretary of Commerce for Oceans and Atmosphere. The additional sixteen members are appointed based on their demonstrated knowledge regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using FIRMs. To the extent possible, membership of the TMAC is balanced between federal, state, local, tribal and private sector members. There is also geographic diversity including representation from areas with coastline on the Gulf of Mexico, and from other areas identified by the FEMA Administrator as

having a high risk for flooding.

I would like to thank the members of the TMAC for their hard work and dedication over the past two years. The Council formulated recommendations to improve the quality of flood mapping and to ensure that the best available science and methodologies are used when considering the impacts of sea level rise and future development on flood risk. I appreciate the tremendous amount of professional expertise and personal commitment that each member invested to convene as a council, conduct subcommittee discussions, and research and produce the Council's reports and recommendations. The Council's recommendations will aid FEMA in furthering our efforts to provide communities with the best available data and tools to make better informed decisions that reduce the risks and consequences of flooding nationwide.

As indicated by their name and clearly stated in the TMAC charter, the Council is an advisory board established to advise and make recommendations to the FEMA Administrator and the flood mapping program. Informed by the TMAC's reports and recommendations, FEMA will determine the appropriate path forward as we evolve based on changes in customer needs, advances in technology, and the National Flood Insurance Program (NFIP) reform requirements.

TMAC's Reports and Recommendations

The TMAC's 2015 Annual Report contains 22 recommendations for FEMA's flood mapping program. The recommendations generally fall into three key themes: credible flood data, digital inventory and delivery, and customer-oriented products (including structure-level risk, and more options for targeted products and engagement). FEMA fundamentally agrees with all 22 of the recommendations in the 2015 Annual Report. Over the last several months, the Agency has been working to evaluate each recommendation to understand resource requirements and impacts to inform implementation priorities, sequencing, and investments.

Perhaps the most transformative recommendation made by the TMAC in 2015 is to transition from one percent (1%) annual chance as the basis for flood insurance ratings to a structure-specific flood frequency determination. This recommendation will require an entirely new approach to insurance rating and underwriting, including new regulatory hazard and risk products and potential impacts on floodplain management standards.

In January 2016, the TMAC delivered its Future Conditions Risk Assessment and Modeling Report. This statutorily-mandated report includes seven overarching recommendations and numerous sub-recommendations. The first recommendation calls for providing future conditions flood risk products, tools, and information for coastal, Great Lakes, and riverine areas. It is the most substantial of the recommendations and the remaining recommendations are largely related to the details of how this could be achieved, with sub-recommendations providing even more details. By recommending that FEMA add future conditions assessments, modeling and mapping, TMAC is recommending that FEMA drive forward both the state of the science and the state of application of the science on a broad scale. Transitioning from an applied science agency, to an agency that also performs scientific research, is significant.

In July 2016, the TMAC submitted the TMAC 2016 Flood Mapping Program Review to FEMA. This report includes 14 recommendations to assist the agency to provide technically credible

flood hazard data into the future. The report focuses on the findings of the TMAC's review of the flood mapping program, as required by HFIAA. The TMAC reviewed the mapping program's structure, process, outputs, quality management, and metrics and concluded that FEMA's mapping program, when applied as designed, results in technically credible flood hazard data in areas where flood insurance rate maps are prepared or updated.

The TMAC is currently working on its 2016 Annual Report. We anticipate that the TMAC will submit this report to FEMA in early 2017, and that it will include additional recommendations, as well as further guidance and insight into its previous report recommendations.

FEMA's Implementation Strategy

Addressing the TMAC recommendations has been and will continue to be one of the top priorities for the National Flood Mapping Program. Today, I want to summarize for you our strategy for implementation, and talk about some of the priorities and investments the Agency focused on this year. Our implementation strategy can generally be summarized as follows:

1. Address several technical recommendations through FEMA's consistent, routine approach to maintain and enhance national mapping policies.
2. Engage internal and external stakeholders and partners as FEMA determines the appropriate sequence of program changes that will support the implementation of the transformative mapping reforms recommended by the TMAC.
3. Continue to make strategic investments (e.g., high resolution topography, structure specific datasets, enhanced flood models) while engaging in strategic, long-term planning to lay the foundation for transformative new mapping policies, products and regulations.

The reports submitted by the TMAC include some technical recommendations that address our ongoing program delivery, seeking refinements or improvements to what we already do and how we operate. Just as we did with the BW-12 legislative mandates for the mapping program, we are using existing program mechanisms to implement those changes to the extent possible. Through our regular Guidelines and Standards cycle, several of the TMAC's 2015 recommendations will be implemented in November 2016, and an additional set of TMAC recommendations are scheduled for implementation in November 2017.

Over the last few years, the Agency has continued to enhance the Cooperating Technical Partners (CTP) program within the flood mapping program. We are using established CTP coordination mechanisms to address the TMAC's CTP-related recommendations. In many ways, the work we've been doing to enhance the CTP program is already addressing much of what is in the recommendations. Similarly, we are using our Flood Risk Products Integrated Project Team (IPT) to start addressing the recommendations from the 2015 Annual Report about understanding user needs for our flood risk products.

Other recommendations are transformative and can't simply be assigned to an existing team or process to address. Those include the TMAC's recommendations for transitioning away from mapping the one percent (1%) annual chance flood hazard, providing structure-specific risk information, digital delivery of our products, and most of the future conditions

recommendations. These recommendations necessitate extensive research, planning, and strategizing, both internally and with our partners.

These engagements are ongoing, but in the meantime we know what some of the foundational elements are to enable delivery on these recommendations in the future. In FY17, one of our focus areas in Risk Management is to deliver flood risk data that is useful for risk-based decisions. This year we will continue to make targeted investments, in coordination with the United States Geological Society (USGS) and the 3DEP program, that continue to move the nation toward a national high-resolution topographic dataset. We will continue to invest in enhanced modeling and multi-frequency returns. Being able to evaluate the frequency of flooding at a structural level using high resolution topographic data is an essential step toward structure specific risk rating and delivery of a redesigned risk rating for the NFIP. We are also making strategic technological investments and changes, not just to improve digital delivery of the mapping products, but to ensure that enhancements of FEMA mapping products are interoperable with insurance rating mechanisms, mitigation planning initiatives, and floodplain management.

FEMA is also exploring a more comprehensive approach to addressing future conditions mapping and the future conditions recommendations provided by the TMAC. The TMAC's Future Conditions Recommendation 6, which directs the completion of pilot studies, provides a way to plan for and develop an initiative that can accomplish the objectives set forth in the future conditions recommendations and can be performed in a way that addresses the majority of the other recommendations and sub-recommendations found in the Future Conditions report. Addressing the research, development, program planning, and implementation questions through a series of demonstration projects will lead to an efficient and effective strategy to provide future conditions flood risk products, tools, and information. The TMAC was clear in its future conditions recommendations to FEMA that future conditions should be reflected in non-regulatory products at this time, and not on the regulatory Flood Insurance Rate Maps (FIRM).

FEMA has already been conducting sea level rise pilot studies. We are working to identify the specific remaining research gaps to be able to design additional future conditions demonstration and pilot projects to address those gaps and inform how FEMA establishes and resources future conditions mapping initiatives.

FEMA has emerging efforts that complement and are informed by the TMAC's recommendations, such as an ongoing initiative to redesign risk rating for the NFIP. FEMA considers a new approach to insurance rating and underwriting crucial for the program, and has already started identifying the technical considerations for implementation. FEMA leadership has incorporated progress on this recommendation into performance plans. FEMA is currently assessing this recommendation in conjunction with the ongoing initiative to analyze technologies, data sources, and trends for flood risk quantification toward a long-term goal of developing a redesigned risk rating system for the program. These initiatives and investments will be critical as FEMA assesses how to move from being able to support the assessment of structure specific flood frequencies, to eventually delivering actuarial structure specific flood insurance ratings in the future.

To support a mindful, meaningful transformation, in FY17 we will begin implementation of the 2015 Annual Report's Recommendation 2 which calls for a national five-year operations plan. Our national plan will be informed by Regional five-year plans to support appropriate flexibility and variance at the regional level while providing consistency at the national level. This five-year plan will become a rolling plan that will help us bridge operations from our current status to where we want to go as we transform. The development of a five-year operations plan will be supported by the implementation of Annual Report's Recommendation 3, which calls for the development of program goals and metrics that will help drive investments and behaviors needed to transform the delivery of our flood mapping program.

The timing is right for the transformation of the National Flood Mapping Program, however we need to account for and learn from the investments we've already made - especially in the program's evolution to Risk Mapping, Assessment, and Planning (Risk MAP). The status of the mapping inventory currently varies from Region to Region. FEMA's Regional offices flood mapping investments each reflect unique circumstances, and accordingly, the Regions have varying degrees of readiness for implementing TMAC recommendations. We also have a significant number of projects already in process that utilize current policies and standards, so we need to take those projects into account as we plan our implementation of and investments in the transformational changes.

Conclusion

We value the work of the TMAC, and will continue to work with the TMAC and Congress to continually evolve the flood mapping program to meet the needs of individuals and communities to understand their flood risk and provide the foundation for actuarial rate setting in the NFIP.

Again, thank you for the opportunity to testify today. I look forward to any questions the Committee may have.