

Statement of Representative Charlie Melancon
Subcommittee on Housing and Community Opportunity
Hearing on Legislative Proposals to Reform the National Flood Insurance Program
April 21, 2010

I would like to thank Chairwoman Maxine Waters for calling this hearing to consider legislative proposals for reforming the National Flood Insurance Program.

Permanent reauthorization of the National Flood Insurance Program is critical for the hundreds of thousands of Louisiana families for whom flood risk is a part of daily life. After Hurricanes Katrina, Rita, Gustav, and Ike, the protection provided by the NFIP was crucial in helping Louisiana families and businesses to rebuild their homes and lives. Today, the program continues to provide peace of mind for families and businesses in high-risk areas.

We cannot continue to allow this program to lapse, creating uncertainty and hindering vital economic activity. This most recent lapse delayed home sales and prevented families from renewing and increasing coverage ahead of forecasted flooding. While I am grateful for the short term extension under which the program is currently operating, I fear that partisan politics may once again prevent timely reauthorization, allowing for future gaps in coverage. For this reason, I urge my colleagues to support permanent reauthorization.

And while this authorization must ensure actuarial soundness of the program, we must also make certain that prohibitively high flood insurance rates do not force families and business to leave our nation's coastal communities. Recent decertification of legitimate hurricane protection systems threatens the livelihood of many communities in my state and across the country. We must explore methods of ensuring that flood insurance rates accurately reflect risk factors on the ground, and that communities are credited for the hurricane protection systems they have worked so hard to maintain.

This is relevant to every member of this subcommittee, because the preservation of these communities benefits not only coastal regions, but the entire nation. Within my state alone, NFIP policies protect an area of the country responsible for one-third of America's oil and natural gas production. Thirty percent of the seafood consumed in this country is harvested off of Louisiana's coast. And our ports provide a gateway for billions of dollars of economic activity for the United States. Without the labor force to maintain these operations, citizens across our districts would suffer. For these reasons, we need NFIP policies that support the success of these regions.

I thank the members of the subcommittee for considering this important issue, and I am hopeful that Congress can act quickly to reform and reauthorize this program.