



Upper Mississippi River Basin Association

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Dear Gerry:

Thank you for the opportunity to review the May 26 draft report of the Interagency Floodplain Management Review Committee: Sharing the Challenge: Floodplain Management into the 21st Century. You and your staff should be commended for developing an extraordinarily comprehensive and thoughtful report in a very short period of time. Expectations surrounding this report have been exceedingly high and it is clear that this document will indeed stand as the definitive report on the Midwest Flood of 1993. From the beginning, the Upper Mississippi River Basin Association recognized that the conclusions and recommendations resulting from this effort would have the potential to profoundly affect both national floodplain management policy and the future of the Upper Mississippi River in particular. There is no question that this will indeed be the case and we are pleased that the report reflects so many of the views and recommendations we have shared with the Review Committee over the past five months.

As you are aware, the Upper Mississippi River Basin Association is comprised of gubernatorial appointees from each of the five basin states. It was established following the demise of the old Title II River Basin Commission in order to preserve a forum for coordinated joint action and policy development among the states and between the states and federal agencies in this region. As such, consensus-building is an important function of the organization.

In so far as some of the Review Committee's recommendations speak directly to the historical roots of the Association and will require substantial interstate and interagency coordination if they are to succeed, we believe the Association is well positioned to lead the dialogue that will certainly ensue from your report. In particular, the Association is planning to sponsor a conference in November 1994 that we hope will provide a forum to focus energy and ideas regarding re-creation of an Upper Mississippi River Basin Commission. The conference will explore the strengths and weaknesses of both past and present river basin institutions and identify the key principles relevant to the form and function of any new institution.

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While many of the Review Committee's recommendations regarding new institutional mechanisms for river basin planning and management will require more thorough evaluation and broader discussion, the Association enthusiastically supports a number of other recommendations which are clearly consistent with those which the Association has previously offered. In particular, the following recommendations, which the Association transmitted to the Review Committee on March 15, are contained in the Review Committee's May 26 draft report and are thus endorsed by the Association:

National Flood Insurance Program

- *Inclusion of a strong mitigation insurance component is critical.* As the discussion surrounding Action 8.9 and Action 8.10 so aptly explains, mitigation insurance is a fundamental component of broader strategies to stimulate on-going mitigation planning independent of disasters, to more aggressively enforce substantial damage requirements, and to more fully address the problem of repetitive damage.
- *A means of addressing repetitively damaged properties should be instituted.* In its March 15 package of comments, the Association recommended revision of the premium structure to address the problem of repetitive damage. Action 8.10 suggests insurance surcharges or increased deductibles as possibilities. Regardless of the financial incentive selected, it must be implemented in tandem with mitigation insurance to insure that high-risk property owners do not face spiraling costs with no affordable means of reducing their risk.
- *Lender compliance with mandatory flood insurance purchase requirements should be enhanced.* As the Review Committee's report notes, low levels of NFIP market penetration in the Midwest can be explained by a variety of factors, only some of which are related to lender compliance. Nevertheless, as the Association has previously recommended and the Review Committee has proposed, penalties for lender noncompliance should be established (Action 9.2) and the escrow of flood insurance premiums should be authorized (Action 9.3).
- *Improve floodplain mapping.* The Review Committee's recommendations regarding needed improvements in floodplain mapping are all responsive to the specific suggestions which the Association has previously made. In particular, all communities with flood hazard areas that are developed or could be developed should be mapped (Action 6.6); funding to improve and accelerate delivery of NFIP maps should be increased (Action 6.7); and conversion to a digital format should be expedited to enhance integration with other valuable data sets (Action 6.8).

Disaster Relief Reform

- *Communities that do not participate in the National Flood Insurance Program (NFIP) should not be eligible for disaster assistance to repair and rebuild public infrastructure. As the Review Committee's draft report discusses in laying the groundwork for Action 5.7, the current system whereby individual citizens are denied disaster assistance but the community itself is not, not only lacks incentives for community participation in the NFIP, but also is inherently inequitable and inconsistent.*
- *Establishment of an optional block grant program for FEMA Section 404 Hazard Mitigation grants would allow states to respond more efficiently and effectively to communities' mitigation needs. The description accompanying Action 8.5 suggests that compliance with a variety of Federal mandates, such as NEPA, may be problematic. Given that the states' interest in the concept of a block grant is based on the assumption that it would include delegation or streamlining of these responsibilities, it is important that these issues be resolved.*

Community Mitigation Assistance and Planning

- *Support for on-going community mitigation planning is needed. The Review Committee has responded to this concern by recommending that a mitigation planning fund be financed out of NFIP premiums and that FEMA be given the authority to allocate a portion of its annual Disaster Assistance fund to such planning efforts (Action 8.7 and Action 8.10). The Association is pleased that the Review Committee has recognized the importance of having individual mitigation insurance available as a component of an overall strategy to increase the emphasis which states and communities place on advance mitigation planning.*
- *In addition to supporting hazard mitigation planning on an on-going basis, funding should be made available for relocations and other mitigative actions in non-disaster situations. Action 8.7 which calls for establishment of "a programmatic buyout and hazard mitigation program ... independent of disaster declarations" is directly responsive to this need and fully supported by the Association.*
- *Streamlining and uniformity of application procedures for hazard mitigation funding should be developed. To the extent that Action 8.4, which calls for a "task force to develop common procedures," will ultimately result in such reform, the Association is supportive of that recommendation. However, it should be noted that Action 8.4 suggests that the task force include representatives of a variety of federal agencies but does not recognize the valuable contributions which states could make to that process. Provision should be made for the active participation of state agencies with experience in*

coordinating buyouts and other hazard mitigation activities. In addition, we note that one of the objectives of the task force established in Action 8.4 is to "make recommendations on whether all funds from future supplemental appropriations should be channelled through a single program such as the FEMA Section 404 Hazard Mitigation Grant Program ..." Yet Action 8.6 recommends this approach outright. Consolidation of funding appears to have merit and any ambiguity regarding the Review Committee's recommendations should be eliminated.

Wetlands Restoration

The Review Committee's recognition that wetlands and protection of natural systems both within the floodplain and the watershed more broadly can play a significant role in flood damage reduction is an important finding. While the Review Committee offers a variety of recommendations based upon its conclusions regarding this general relationship, the Association had previously addressed itself to only a few of the potential policy and program implications.

- *Floodplain wetlands should be targeted for priority enrollment in the Wetlands Reserve Program (WRP).* Although the Review Committee's recommendation for "continuation and expansion of conservation and voluntary acquisition programs" in the 1995 Farm Bill (Action 6.3) is substantially broader than that recommended by the Association, it is certainly consistent with the states' view that these programs can offer tremendous environmental benefits and that flood damage reduction should be explicitly recognized as one of those benefits.
- *Land acquisition should be considered as one of the techniques for habitat rehabilitation and enhancement under the Environmental Management Program (EMP).* The Association has been an advocate of this policy change since it became apparent in the early years of the EMP that the Administration would not allow EMP funds to be used for this purpose. The Review Committee's Recommendation 10.2 is consistent with the states' views on this issue and is fully supported by the Association.
- *The methodology of accounting for environmental benefits should be modified to eliminate the systemic bias in favor of structural flood control measures and floodplain development.* Action 11.6 recognizes that additional research to develop state-of-the-art techniques for measuring environmental outputs is needed, while Action 5.10 addresses how the planning process accommodates these measures under Principles and Guidelines (P&G). In combination, these recommendations address both the tools and the process, both of which are important to insuring a balanced evaluation.

Floodplain Management

- *State leadership and federal support of state efforts are required for effective floodplain management programs.* As the Review Committee's report acknowledges, having strong state floodplain management programs is clearly in the federal interest. A variety of recommendations proposed by the Review Committee address this fundamental principle of the intergovernmental system of floodplain management. In particular, the Association considers the Review Committee's recommendations to increase funding for existing state assistance programs (Recommendation 5.3), to provide a specific source of funding for state and local floodplain management activities (Action 6.5) and to enhance the incentives offered by the NFIP Community Rating System (Action 6.4) as being directly responsive to state and local needs and the specific suggestions offered previously by the Association.
- *A uniform approach to the protection of critical facilities is needed, particularly through the consistent adoption and application of Executive Order 11988 by all federal agencies.* It is clear that the Review Committee recognizes the importance of reducing the vulnerability of critical infrastructure (Recommendation 4.2). In addition, it is especially noteworthy that the Review Committee's report emphasizes the need for the federal government to lead by example, insuring that its own actions are consistent with wise floodplain management practices. In this regard, the recommendations for enhancing EO 11988 (Action 5.4) and assessing the vulnerability of federal facilities to flooding (Action 5.5) are particularly appropriate.
- *A consistent and enforceable definition of substantial damage is needed.* The discussion of the substantial damage issue and its relationship to the problem of repetitive loss structures in the Review Committee's report suggests that there is not only a recognition of the problem but a commitment to address it (Action 8.8). Here again, it should be noted that enforcement of the substantial damage requirement is linked in many important ways to the provision of mitigation insurance in the NFIP.

Crop Insurance Reform

- *To encourage broader participation in the Federal crop insurance program, it should be reformed by requiring insurance as a condition of participation in other USDA programs.* In addition, premium rates should reflect actuarial risk. The Association's recommendations with regard to crop insurance are addressed by the Review Committee's recommended Action 9.8 endorsing the Administration's recent proposed Federal Crop Insurance Reform Act.

Floodfighting

- *A coordinated state-federal mechanism for addressing floodfighting should be established.* While the Review Committee's report acknowledges that levee floodfighting can be a problem if the effects on flood levels in other reaches are not considered, the recommendation (Action 8.3) that FEMA and state officials restrict funding support for floodfighting to those levees approved by the Corps of Engineers may not be fully responsive to the problem. As the Association noted in its March 15 recommendations to the Review Committee, political impediments to exercising what limited authority may be available to intervene in private floodfighting efforts can be substantial. If states are expected to coordinate floodfighting activities, as the Review Committee's report suggests both as part of Action 8.3 and more generally in the context of the state leadership discussion on page 101, there will need to be significantly more coordination between the states and the Corps and among the states than Action 8.3 implies. It is not simply a question of under what circumstances floodfighting should be restricted. The question of "how" such efforts can or should be limited is also an issue.

Data Collection, Mapping, and Modelling

Chapter 11 of the Review Committee's report discusses a wide variety of data collection, analysis, and dissemination needs. While they are all worthy recommendations, the Association is particularly pleased that the Review Committee has responded to two of the recommendations we previously offered:

- *A systemwide unsteady flood model should be developed.* The discussion of hydrologic and hydraulic models on page 190 of the report emphasizes the value of a systemwide unsteady flow model to evaluate the impacts of floodplain structures, regulations, and management decisions. Given the widespread interest in development of an unsteady flood model in particular, it may be helpful to specify this type of model in what is otherwise rather ambiguous language in Action 11.3.
- *Assess the flood damage reduction potential of both upland and floodplain wetlands.* The Review Committee appropriately acknowledges that not all wetlands or watersheds are equivalent in terms of their ability to effect flood flows and that quantification of these impacts has not been well documented. In response to the need to more fully understand these relationships, the Review Committee recommends that an evaluation of "the effect of natural upstream storage and floodplain storage in such areas as wetlands" be conducted (Action 11.7). The Association supports this recommendation.

It is clear from the above list, which constitutes nearly all of the recommendations which the Association has previously submitted to the Review Committee, that the May 26 draft report is extraordinarily responsive to the Association's concerns. If endorsed by the Interagency Floodplain Management Task Force and implemented, these recommendations will help move this region and the nation as a whole toward substantially more effective floodplain management.

Perhaps the only two major recommendations directly related to floodplain management which the draft report contains and which the Association has not previously addressed nor had an opportunity to fully evaluate are Actions 5.1 and 10.3. Action 5.1 calls for enactment of a national Floodplain Management Act. In a very general way, such an approach is consistent with the Association's view that floodplain management is an intergovernmental partnership responsibility. However, the merits of the specific components of that Act as proposed in Appendix D have not been reviewed in detail, particularly in light of how they may affect existing state policies and programs.

Actions 10.3 - 10.5 call for the development and authorization of an Upper Mississippi River and Tributaries (UMR&T) system plan to create an integrated multi-purpose levee system on the upper river. This type of approach has not previously been discussed or evaluated by the states.

In addition to policy and programmatic recommendations directly related to floodplain management and flood recovery and mitigation, the Review Committee's report includes a variety of recommendations that extend more broadly to water resource policy and management issues both within the Upper Mississippi River Basin and the entire nation. While these recommendations address worthy and challenging questions, they are ones which the Association has not yet had an opportunity to discuss or fully assess. In particular, the following recommendations involve issues in which the Association has a substantial and long-standing interest:

- Revitalize the Water Resources Council (Action 5.2)
- Reestablish River Basin Commissions (Actions 5.3 and 10.1)
- Expand the mission of the Mississippi River Commission (Action 10.2)
- Revise Principles and Guidelines (Action 5.10 and 5.11)
- Increase funding for collaborative planning (Recommendation 5.5)
- Promote use of programmatic NEPA documents (Recommendation 5.6)
- Reevaluate federal water resource projects (Recommendation 5.7)
- Formulate a coordinated comprehensive approach to multi-objective watershed management (Action 6.1)

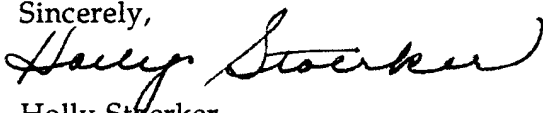
- Establish DOI as lead agency for acquisition of environmental lands (Action 7.1)
- Have DOI conduct an ecological needs investigation of the Upper Mississippi River Basin (Action 10.6)
- Have the USACE provide an early report of environmental enhancement opportunities as part of the navigation study (Action 10.7)
- Have the USACE provide a report on the ecological effects of relocating navigation pool control points as part of the Navigation Rehabilitation Study (Action 10.8)
- Establish the Upper Mississippi River Basin as an Ecosystem Management Demonstration Project (Action 10.9)

Many of these recommendations would have a profound effect on the management of the river system and the basin more broadly. Some would involve the creation of new or substantially modified institutions. Others would reshape the planning process and policy foundation for management actions. These are challenging and complex issues requiring a shared commitment among both federal and state management agencies if we are to succeed. While it is not yet clear what consensus will emerge among the states on these questions, all of these recommendations will certainly be judged in terms of how responsive they are to state needs and the degree to which states will be afforded opportunities for meaningful and full partnership.

The Upper Mississippi River Basin Association has already begun to explore a number of these issues. In April 1994, a discussion draft report evaluating a wide variety of alternative institutional mechanisms for formulating an ecosystem management strategy was released by the Association and is being reviewed by agencies and organizations throughout the basin. In addition, as previously noted, the Association has initiated plans for a regional conference in November of 1994 to discuss institutional issues related to comprehensive river basin management. While many unanswered questions remain, we are clearly moving in a direction that is consistent with the philosophical underpinnings, if not the specific proposals, of the Review Committee's report.

Thank you again for the opportunity to provide some preliminary observations on the Review Committee's draft report. It provides an excellent overview of the causes and consequences of the Midwest Flood of 1993 and a comprehensive set of recommendations which are certainly worthy of the Administration's consideration.

Sincerely,



Holly Stoerker
Executive Director

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