

Concluded a bilateral trade agreement with the United States, which entered into force on April 7, 1992, and a bilateral investment treaty, which entered into force on March 29, 1996;

Demonstrated a commitment to enforcing internationally recognized core labor standards and to continue to improve effective enforcement of its laws reflecting such standards; and

Acceded to the World Trade Organization on February 5, 2003, and the extension of unconditional normal trade relations treatment to the products of Armenia will enable the United States to avail itself of all rights under the World Trade Organization with respect to Armenia.

Armenia's small Jewish community is relatively well-treated and maintains a good working relationship with the government. I hope that the Armenian government will make available to the Jewish community an appropriate public space as symbolic compensation for communal properties destroyed during the Soviet period.

Although Armenia has gained accession to the World Trade Organization, the decision to graduate a country from the Jackson-Vanik amendment should be based upon those issues which motivated the original enactment of this law: religious freedom and human rights. Adoption of PNTR for Armenia by this House in the context as part of a larger, unrelated tax measure without this language should not be seen as any precedent for any future graduation.

In any case, I look forward to working with the gentleman from California and the gentleman from New York on incorporating language along these lines in the final bill regarding this legislation.

The SPEAKER pro tempore (Mr. SWEENEY). The question is on the motion offered by the gentleman from Louisiana (Mr. MCCRERY) that the House suspend the rules and pass the bill, H.R. 3521, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

FLOOD INSURANCE REFORM ACT OF 2003

Mr. NEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 253) to amend the National Flood Insurance Act of 1968 to reduce losses to properties for which repetitive flood claim payments have been made, as amended.

The Clerk read as follows:

H.R. 253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Flood Insurance Reform Act of 2003".

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the national flood insurance program (A) identifies the flood risk, (B) provides flood risk information to the public, (C) encourages State and local governments to make appropriate land use adjustments to constrict the development of land which is

exposed to flood damage and minimize damage caused by flood losses, and (D) makes flood insurance available on a nationwide basis that would otherwise not be available, to accelerate recovery from floods, mitigate future losses, save lives, and reduce the personal and national costs of flood disasters;

(2) the national flood insurance program insures approximately 4,400,000 policyholders;

(3) approximately 48,000 properties currently insured under the program have experienced, within a 10-year period, two or more flood losses where each such loss exceeds the amount \$1,000;

(4) approximately 10,000 of these repetitive-loss properties have experienced either two or three losses that cumulatively exceed building value or four or more losses, each exceeding \$1,000;

(5) repetitive-loss properties constitute a significant drain on the resources of the national flood insurance program, costing about \$200,000,000 annually;

(6) repetitive-loss properties comprise approximately one percent of currently insured properties but are expected to account for 25 to 30 percent of claims losses;

(7) the vast majority of repetitive-loss properties were built before local community implementation of floodplain management standards under the program and thus are eligible for subsidized flood insurance;

(8) while some property owners take advantage of the program allowing subsidized flood insurance without requiring mitigation action, others are trapped in a vicious cycle of suffering flooding, then repairing flood damage, then suffering flooding, without the means to mitigate losses or move out of harm's way;

(9) mitigation of repetitive-loss properties through buyouts, elevations, relocations, or flood-proofing will produce savings for policyholders under the program and for Federal taxpayers through reduced flood insurance losses and reduced Federal disaster assistance;

(10) a strategy of making mitigation offers aimed at high-priority repetitive-loss properties and shifting more of the burden of recovery costs to property owners who choose to remain vulnerable to repetitive flood damage can encourage property owners to take appropriate actions that reduce loss of life and property damage and benefit the financial soundness of the program; and

(11) the method for addressing repetitive-loss properties should be flexible enough to take into consideration legitimate circumstances that may prevent an owner from taking a mitigation action.

SEC. 3. EXTENSION OF PROGRAM AND CONSOLIDATION OF AUTHORIZATIONS.

The National Flood Insurance Act of 1968 is amended as follows:

(1) BORROWING AUTHORITY.—In the first sentence of section 1309(a) (42 U.S.C. 4016(a)), by striking "through December" and all that follows through ", and" and inserting the following: "through the date specified in section 1319, and".

(2) AUTHORITY FOR CONTRACTS.—In section 1319 (42 U.S.C. 4026), by striking "after" and all that follows and inserting "after September 30, 2008".

(3) EMERGENCY IMPLEMENTATION.—In section 1336(a) (42 U.S.C. 4056(a)), by striking "during the period" and all that follows through "in accordance" and inserting "during the period ending on the date specified in section 1319, in accordance".

(4) AUTHORIZATION OF APPROPRIATIONS FOR STUDIES.—In section 1376(c) (42 U.S.C. 4127(c)), by striking "through" and all that follows and inserting the following: "through the date specified in section 1319, for studies under this title".

SEC. 4. ESTABLISHMENT OF PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES.

(a) IN GENERAL.—The National Flood Insurance Act of 1968 is amended by inserting after section 1361 (42 U.S.C. 4102) the following new section:

"PILOT PROGRAM FOR MITIGATION OF SEVERE REPETITIVE LOSS PROPERTIES

"SEC. 1362. (a) AUTHORITY.—To the extent amounts are made available for use under this section, the Director may, subject to the limitations of this section, provide financial assistance to States and communities for taking actions with respect to severe repetitive loss properties (as such term is defined in subsection (b)) to mitigate flood damage to such properties and losses to the National Flood Insurance Fund from such properties.

"(b) SEVERE REPETITIVE LOSS PROPERTY.—For purposes of this section, the term 'severe repetitive loss property' has the following meaning:

"(1) SINGLE-FAMILY PROPERTIES.—In the case of a property consisting of one to four residences, such term means a property that—

"(A) is covered under a contract for flood insurance made available under this title; and

"(B) has incurred flood-related damage—

"(i) for which four or more separate claims payments have been made under flood insurance coverage under this title before the date of the enactment of the Flood Insurance Reform Act of 2003, with the amount of each such claim exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000;

"(ii) for which four or more separate claims payments have been made under flood insurance coverage under this title after the date of the enactment of the Flood Insurance Reform Act of 2003, with the amount of each such claim exceeding \$3,000, and with the cumulative amount of such claims payments exceeding \$15,000; or

"(iii) for which at least two separate claims payments have been made under such coverage, with the cumulative amount of such claims exceeding the value of the property.

"(2) MULTIFAMILY PROPERTIES.—In the case of a property consisting of five or more residences, such term shall have such meaning as the Director shall by regulation provide.

"(c) ELIGIBLE ACTIVITIES.—Amounts provided under this section to a State or community may be used only for the following activities:

"(1) MITIGATION ACTIVITIES.—To carry out mitigation activities that reduce flood damages to severe repetitive loss properties, including elevation, relocation, demolition, and floodproofing of structures, and minor physical localized flood control projects.

"(2) PURCHASE.—To purchase severe repetitive loss properties, subject to subsection (f).

"(d) MATCHING REQUIREMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Director may not provide assistance under this section to a State or community in an amount exceeding 3 times the amount that the State or community certifies, as the Director shall require, that the State or community will contribute from non-Federal funds for carrying out the eligible activities to be funded with such assistance amounts.

"(2) WAIVER.—

"(A) AUTHORITY.—Subject to subparagraph (B), the Director may waive the limitation under paragraph (1) for any State, and for the communities located in that State, with respect to a year, if, for such year—

“(i) 5 percent or more of the total number of severe repetitive loss properties in the United States are located in such State; and

“(ii) the State submits a plan to the Director specifying how the State intends to reduce the number of severe repetitive loss properties and the Director determines, after consultation with State and technical experts, that the State has taken actions to reduce the number of such properties.

“(B) LIMITATION.—In each waiver under subparagraph (A), the Director may waive the limitation under paragraph (1) only to the extent that the State or community involved is required to contribute, for each severe repetitive loss property for which grant amounts are provided, not less than 10 percent of the cost of the activities for such properties that are to be funded with grant amounts.

“(3) NON-FEDERAL FUNDS.—For purposes of this subsection, the term ‘non-Federal funds’ includes State or local agency funds, in-kind contributions, any salary paid to staff to carry out the eligible activities of the recipient, the value of the time and services contributed by volunteers to carry out such activities (at a rate determined by the Director), and the value of any donated material or building and the value of any lease on a building.

“(e) STANDARDS FOR MITIGATION OFFERS.—The program under this section for providing assistance for eligible activities for severe repetitive loss properties shall be subject to the following limitations:

“(1) PRIORITY.—In determining the properties for which to provide assistance for eligible activities under subsection (c), the Director shall provide assistance for properties in the order that will result in the greatest amount of savings to the National Flood Insurance Fund in the shortest period of time.

“(2) OFFERS.—The Director shall provide assistance in a manner that permits States and communities to make offers to owners of severe repetitive loss properties to take eligible activities under subsection (c) as soon as is practicable.

“(3) NOTICE.—Upon making an offer to provide assistance with respect to a property for any eligible activity under subsection (c), the State or community shall notify each holder of a recorded interest on the property of such offer and activity.

“(f) PURCHASE OFFERS.—A State or community may take action under subsection (c)(2) to purchase a severe repetitive loss property only if the following requirements are met:

“(1) USE OF PROPERTY.—The State or community enters into an agreement with the Director that provides assurances that the property purchased will be used in a manner that is consistent with the requirements of clauses (i) and (ii) of section 404(b)(2)(B) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c(b)(2)(B)) for properties acquired, accepted, or from which a structure will be removed pursuant to a project provided property acquisition and relocation assistance under such section 404(b).

“(2) PURCHASE PRICE.—The amount of purchase offer is not less than the greatest of—

“(A) the amount of the original purchase price of the property, when purchased by the holder of the current policy of flood insurance under this title;

“(B) the total amount owed, at the time the offer to purchase is made, under any loan secured by a recorded interest on the property;

“(C) an amount equal to the fair market value of the property immediately before the most recent flood event affecting the property; and

“(D) an amount equal to the replacement value of the property immediately before the most recent flood event affecting the property, except that this subparagraph shall apply in the case only of a property for which the State or community taking action under subsection (c)(2) determines, and the Director concurs, that the fair market value referred to in subparagraph (C) of the property is less than the purchase price of a replacement primary residence that is of comparable value, functionally equivalent, and located in the same community or market area but not in an area having special flood hazards.

“(g) INCREASED PREMIUMS IN CASES OF REFUSAL TO MITIGATE.—

“(1) IN GENERAL.—In any case in which the owner of a severe repetitive loss property refuses an offer to take action under paragraph (1) or (2) of subsection (c) with respect to such property, the Director shall—

“(A) notify each holder of a recorded interest on the property of such refusal; and

“(B) notwithstanding subsections (a) through (c) of section 1308, thereafter the chargeable premium rate with respect to the property shall be the amount equal to 150 percent of the chargeable rate for the property at the time that the offer was made, as adjusted by any other premium adjustments otherwise applicable to the property and any subsequent increases pursuant to paragraph (2) and subject to the limitation under paragraph (3).

“(2) INCREASED PREMIUMS UPON SUBSEQUENT FLOOD DAMAGE.—Notwithstanding subsections (a) through (c) of section 1308, if the owner of a severe repetitive loss property does not accept an offer to take action under paragraph (1) or (2) of subsection (c) with respect to such property and a claim payment exceeding \$1,500 is made under flood insurance coverage under this title for damage to the property caused by a flood event occurring after such offer is made, thereafter the chargeable premium rate with respect to the property shall be the amount equal to 150 percent of the chargeable rate for the property at the time of such flood event, as adjusted by any other premium adjustments otherwise applicable to the property and any subsequent increases pursuant to this paragraph and subject to the limitation under paragraph (3).

“(3) LIMITATION ON INCREASED PREMIUMS.—In no case may the chargeable premium rate for a severe repetitive loss property be increased pursuant to this subsection to an amount exceeding the applicable estimated risk premium rate for the area (or subdivision thereof) under section 1307(a)(1).

“(4) TREATMENT OF DEDUCTIBLES.—Any increase in chargeable premium rates required under this subsection for a severe repetitive loss property may be carried out, to the extent appropriate, as determined by the Director, by adjusting any deductible charged in connection with flood insurance coverage under this title for the property.

“(5) NOTICE OF CONTINUED OFFER.—Upon each renewal or modification of any flood insurance coverage under this title for a severe repetitive loss property, the Director shall notify the owner that the offer made pursuant to subsection (c) is still open.

“(6) APPEALS.—

“(A) IN GENERAL.—Any owner of a severe repetitive loss property may appeal a determination of the Director to take action under paragraph (1)(B) or (2) with respect to such property, based only upon the following grounds:

“(i) As a result of such action, the owner of the property will not be able to purchase a replacement primary residence of comparable value and that is functionally equivalent.

“(ii) As a result of such action, the preservation or maintenance of any prehistoric or historic district, site, building, structure, or object included in, or eligible for inclusion in, the National Register of historic places will be interfered with, impaired, or disrupted.

“(iii) The flooding that resulted in the flood insurance claims described in subsection (b)(2) for the property resulted from significant actions by a third party in violation of Federal, State, or local law, ordinance, or regulation.

“(iv) In purchasing the property, the owner relied upon flood insurance rate maps of the Federal Emergency Management Agency that were current at the time and did not indicate that the property was located in an area having special flood hazards.

“(B) PROCEDURE.—An appeal under this paragraph of a determination of the Director shall be made by filing, with the Director, a request for an appeal within 90 days after receiving notice of such determination. Upon receiving the request, the Director shall select, from a list of independent third parties compiled by the Director for such purpose, a party to hear such appeal. Within 90 days after filing of the request for the appeal, such third party shall review the determination of the Director and shall set aside such determination if the third party determines that the grounds under subparagraph (A) exist. During the pendency of an appeal under this paragraph, the Director shall stay the applicability of the rates established pursuant to paragraph (1)(B) or (2), as applicable.

“(C) EFFECT OF FINAL DETERMINATION.—In an appeal under this paragraph—

“(i) if a final determination is made that the grounds under subparagraph (A) exist, the third party hearing such appeal shall make a determination of how much to reduce the chargeable risk premium rate for flood insurance coverage for the property involved in the appeal from the amount required under paragraph (1)(B) or (2) and the Director shall promptly reduce the chargeable risk premium rate for such property by such amount; and

“(ii) if a final determination is made that the grounds under subparagraph (A) do not exist, the Director shall promptly increase the chargeable risk premium rate for such property to the amount established pursuant to paragraph (1)(B) or (2), as applicable, and shall collect from the property owner the amount necessary to cover the stay of the applicability of such increased rates during the pendency of the appeal.

“(D) COSTS.—If the third party hearing an appeal under this paragraph is compensated for such service, the costs of such compensation shall be borne—

“(i) by the owner of the property requesting the appeal, if the final determination in the appeal is that the grounds under subparagraph (A) do not exist; and

“(ii) by the National Flood Insurance Fund, if such final determination is that the grounds under subparagraph (A) do exist.

“(E) REPORT.—Not later than 6 months after the date of the enactment of the Flood Insurance Reform Act of 2003, the Director shall submit a report to the House of Representatives and the Senate describing the rules, procedures, and administration for appeals under this paragraph.

“(h) DISCRETIONARY ACTIONS IN CASES OF FRAUDULENT CLAIMS.—If the Director determines that a fraudulent claim was made under flood insurance coverage under this title for a severe repetitive loss property, the Director may—

“(1) cancel the policy and deny the provision to such policyholder of any new flood

insurance coverage under this title for the property; or

“(2) refuse to renew the policy with such policyholder upon expiration and deny the provision of any new flood insurance coverage under this title to such policyholder for the property.

“(j) FUNDING.—Pursuant to section 1310(a)(8), the Director may use amounts from the National Flood Insurance Fund to provide assistance under this section in each of fiscal years 2004, 2005, 2006, 2007, and 2008, except that the amount so used in each such fiscal year may not exceed \$40,000,000 and shall remain available until expended. Notwithstanding any other provision of this title, amounts made available pursuant to this subsection shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.

“(j) TERMINATION.—The Director may not provide assistance under this section to any State or community after September 30, 2008.”.

(b) AVAILABILITY OF NATIONAL FLOOD INSURANCE FUND AMOUNTS.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (7), by striking “and” at the end; and

(2) by striking paragraph (8) and inserting the following new paragraph:

“(8) for financial assistance under section 1362 to States and communities for taking actions under such section with respect to severe repetitive loss properties, but only to the extent provided in section 1362(i); and”.

SEC. 5. AMENDMENTS TO EXISTING FLOOD MITIGATION ASSISTANCE PROGRAM.

(a) STANDARD FOR APPROVAL OF MITIGATION PLANS.—Section 1366(e)(3) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104(c)) is amended by adding at the end the following new sentence: “The Director may approve only mitigation plans that give priority for funding to such properties, or to such subsets of properties, as are in the best interest of the National Flood Insurance Fund.”.

(b) PRIORITY FOR MITIGATION ASSISTANCE.—Section 1366(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended by striking paragraph (4) and inserting the following new paragraph:

“(4) PRIORITY FOR MITIGATION ASSISTANCE.—In providing grants under this subsection for mitigation activities, the Director shall give first priority for funding to such properties, or to such subsets of such properties as the Director may establish, that the Director determines are in the best interests of the National Flood Insurance Fund and for which matching amounts under subsection (f) are available.”.

(c) COORDINATION WITH STATES AND COMMUNITIES.—Section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c) is amended by adding at the end the following new subsection:

“(m) COORDINATION WITH STATES AND COMMUNITIES.—The Director shall, in consultation and coordination with States and communities take such actions as are appropriate to encourage and improve participation in the national flood insurance program of owners of properties, including owners of properties that are not located in areas having special flood hazards but are located within the 100-year floodplain.”.

(d) FUNDING.—Section 1367(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4104d(b)) is amended by striking paragraph (1) and inserting the following new paragraph:

“(1) in each fiscal year, amounts from the National Flood Insurance Fund not exceeding \$40,000,000;”.

SEC. 6. FEMA AUTHORITY TO FUND MITIGATION ACTIVITIES FOR INDIVIDUAL REPETITIVE CLAIMS PROPERTIES.

(a) IN GENERAL.—Chapter I of the National Flood Insurance Act of 1968 (42 U.S.C. 4011 et seq.) is amended by adding at the end the following new section:

“GRANTS FOR REPETITIVE INSURANCE CLAIMS PROPERTIES

“SEC. 1323. (a) IN GENERAL.—General.—The Director may provide funding for mitigation actions that reduce flood damages to individual properties for which one or more claim payments for losses have been made under flood insurance coverage under this title, but only if the Director determines that—

“(1) such activities are in the best interest of the National Flood Insurance Fund; and

“(2) such activities can not be funded under the program under section 1366 because—

“(A) the requirements of section 1366(g) are not being met by the State or community in which the property is located; or

“(B) the State or community does not have the capacity to manage such activities.

“(b) PRIORITY FOR WORST-CASE PROPERTIES.—In determining the properties for which funding is to be provided under this section, the Director shall consult with the States in which such properties are located and provide assistance for properties in the order that will result in the greatest amount of savings to the National Flood Insurance Fund in the shortest period of time.”.

(b) AVAILABILITY OF NATIONAL FLOOD INSURANCE FUND AMOUNTS.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended by adding at the end the following new paragraph:

“(9) for funding, not to exceed \$10,000,000 in any fiscal year, for mitigation actions under section 1323, except that, notwithstanding any other provision of this title, amounts made available pursuant to this paragraph shall not be subject to offsetting collections through premium rates for flood insurance coverage under this title.”.

SEC. 7. ACTUARIAL RATE PROPERTIES.

(a) IN GENERAL.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by striking subsection (c) and inserting the following new subsection:

“(c) ACTUARIAL RATE PROPERTIES.—Subject only to the limitations provided under paragraphs (1) and (2), the chargeable rate shall not be less than the applicable estimated risk premium rate for such area (or subdivision thereof) under section 1307(a)(1) with respect to the following properties:

“(1) POST-FIRM PROPERTIES.—Any property the construction or substantial improvement of which the Director determines has been started after December 31, 1974, or started after the effective date of the initial rate map published by the Director under paragraph (2) of section 1360 for the area in which such property is located, whichever is later, except that the chargeable rate for properties under this paragraph shall be subject to the limitation under subsection (e).

“(2) CERTAIN LEASED COASTAL AND RIVER PROPERTIES.—Any property leased from the Federal Government (including residential and nonresidential properties) that the Director determines is located on the river-facing side of any dike, levee, or other riverine flood control structure, or seaward of any seawall or other coastal flood control structure.”.

(b) INAPPLICABILITY OF ANNUAL LIMITATIONS ON PREMIUM INCREASES.—Section 1308(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4015(e)) is amended by striking “Notwithstanding” and inserting “Except with respect to properties described

under paragraph (2) or (3) of subsection (c) and notwithstanding”.

SEC. 8. ELECTRONIC DATABASE OF REPETITIVE LOSS PROPERTIES.

Section 1364 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a) is amended by adding at the end the following new subsection:

“(d) ELECTRONIC DATABASE OF REPETITIVE CLAIMS PROPERTIES.—The Director may, if the Director determines such action is feasible, establish and maintain a database identifying by location and address all repetitive loss structures (as such term is defined in section 1370) and severe repetitive loss properties (as such term is defined in section 1362(b)). If established, the Director shall make the database available to the public in a format that may be searched electronically. Such a database shall not include any information regarding ownership of properties.”.

SEC. 9. REPLACEMENT OF MOBILE HOMES ON ORIGINAL SITES.

Section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022) is amended by adding at the end the following new subsection:

“(c) REPLACEMENT OF MOBILE HOMES ON ORIGINAL SITES.—

“(1) COMMUNITY PARTICIPATION.—The placement of any mobile home on any site shall not affect the eligibility of any community to participate in the flood insurance program under this title and the Flood Disaster Protection Act of 1973 (notwithstanding that such placement may fail to comply with any elevation or flood damage mitigation requirements), if—

“(A) such mobile home was previously located on such site;

“(B) such mobile home was relocated from such site because of flooding that threatened or affected such site; and

“(C) such replacement is conducted not later than the expiration of the 180-day period that begins upon the subsidence (in the area of such site) of the body of water that flooded to a level considered lower than flood levels.

“(2) DEFINITION.—For purposes of this subsection, the term ‘mobile home’ has the meaning given such term in the law of the State in which the mobile home is located.”.

SEC. 10. REITERATION OF FEMA RESPONSIBILITY TO MAP MUDDLIDES.

As directed in section 1360(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4101(b)), the Director of the Federal Emergency Management Agency is again directed to accelerate the identification of risk zones within flood-prone and mudslide-prone areas, as provided by subsection (a)(2) of such section 1360, in order to make known the degree of hazard within each such zone at the earliest possible date.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. NEY) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. NEY).

GENERAL LEAVE

Mr. NEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. NEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise in support of H.R. 253, a reauthorization of the National Flood Insurance Program. I am pleased that an arrangement this afternoon could be worked out between all of the interested parties so this bill could come up under suspension. We can all agree that this is a fiscally responsible bipartisan piece of legislation.

Floods have been and continue to be one of the most destructive and costly natural hazards to our country. The National Flood Insurance Program is a valuable tool in addressing the losses incurred throughout this country due to floods. It ensures that businesses and families have access to affordable flood insurance that would not be available on the national market. The National Flood Insurance Program was established in 1968 with the passage of the National Flood Insurance Act.

Prior to that time, insurance companies generally did not offer coverage for flood disasters because of the high risk involved. Today almost 20,000 communities participate in the National Flood Insurance Program. More than 90 insurance companies sell and service flood policies. There are approximately 4.4 million policies covering a total of \$620 billion. In order to participate in the program, communities must agree to abide by certain hazard mitigation provisions. These provisions include adopting building codes that require new floodplain structures to be protected against flooding, or elevated above the 100-year flood plain. The National Flood Insurance Program is administered by FEMA. It is worth noting that on November 25, 2002, President Bush signed into law the Homeland Security Act of 2002 which brought FEMA under the new Department of Homeland Security.

The NFIP authorization expired on November 21, 2002. Unfortunately, Congress adjourned without extending the program. This situation was quickly remedied in the 108th Congress on January 13, 2003. President Bush signed into law a bill to reauthorize the program for 1 year retroactively to January 1, 2003. This 1-year reauthorization will give us the time necessary to determine how best to go about reforming the existing program.

This is a good day for the National Flood Insurance Program and a good day for American taxpayers. I applaud all Members for reaching agreement and give credit to the gentleman from Ohio (Mr. OXLEY), the gentleman from Louisiana (Mr. BAKER), the gentleman from Nebraska (Mr. BEREUTER), the gentleman from Massachusetts (Mr. FRANK), the gentleman from Louisiana (Mr. TAUZIN), the gentlewoman from California (Ms. WATERS), and the gentleman from Oregon (Mr. BLUMENAUER).

Also, I want to note that a correction was made that was a terrible situation for many people in that if they moved a trailer off a property, they could not take it back in; and they were forced to

build expensive, tall walls and it hurt a lot of poor people. That correction was made after 5 years of injustice on that. I urge my colleagues to support this initiative.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased with this legislation and, frankly, with the cooperative spirit that has brought it before us as a suspension. Members may note, there was a change in plans. Originally, we had a unanimous consent agreement to bring this up as a bill with an amendment. We have had conversations. As a result, we have an agreement to go forward with this bill with an amendment. It is a modification that will make the impact a little easier on some people in some areas of the country and will make it in part something of an experiment because we will have to revisit it after a few years, but it will change the essence of the bill.

Our hope is, as a result of the spirit of compromise and flexibility that was shown on this side, when the bill goes elsewhere in this Capitol, there will be a hospitable attitude. There was, frankly, the prospect before that of a possible deadlock between the branches. We believe we have taken a step, well, more than a step, to help avoid that.

The substance is very important, and I want to pay particular tribute to the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Oregon (Mr. BLUMENAUER). One is a member of the committee, the gentleman from Nebraska (Mr. BEREUTER); and one is not, the gentleman from Oregon (Mr. BLUMENAUER), because they took the initiative. Yes, people who have built in areas that are likely to flood should get some help from the Federal Government. The poor old Federal Government gets denounced a lot in general; but in particular, almost everybody finds some reason to want to substitute it for the pure market forces in some cases.

There is a consensus here that the market does not work for some people with regard to flood insurance. Our position was, however, that we were too little reliant on economic factors. That is, we have had a situation where people could build, be flooded, get compensated through a Federal program; build, get flooded, and get compensated through a Federal program indefinitely. Neither in fiscal terms nor from an environmental standpoint was that a good idea.

This bill is an effort, without cutting people off, to reform that situation. It is widely supported by virtually all of the taxpayer groups that worry about what they think is excessive spending, and it is supported by environmentalists. It is something of a compromise. I hope we can go forward with it and see it adopted.

I should note, this program, the Federal Flood Insurance Program, expired last year. The gentleman from Ohio (Chairman NEY) and I collaborated earlier this year and retroactively extended it. I believe it was the first act this Congress took, was to make sure people were protected. No one is indifferent to the fate of these people.

We did, however, say, and I thank the gentleman for his leadership, that we could not simply continue to extend this program. It had to be reformed. The gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Oregon (Mr. BLUMENAUER) did us a great service by taking the initiative there. It was supported by the gentleman from Ohio (Chairman NEY) and the gentlewoman from California (Ms. WATERS), who is the ranking member; and that is where we are.

We have now got a further compromise. I understand that is not yet something they have had a chance to review in the Senate. My hope is what we will do, and I believe there is agreement on this, is to pass a 3-month extension in an appropriate vehicle here, which would then be accepted in the Senate. That would give us until March 31 of next year with the program fully in effect to be able to work out in the Senate what we believe we have successfully worked out here, namely, a reasonable compromise. It is in that spirit that I go forward with this.

Mr. Speaker, I reserve the balance of my time.

Mr. NEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. OXLEY).

(Mr. OXLEY asked and was given permission to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, let me thank the gentleman from Ohio (Mr. NEY) for his leadership on this issue. I certainly share the sentiments expressed by the gentleman from Massachusetts (Mr. FRANK) regarding the need to really get at reforming this flood insurance program. The 1-year extensions year after year were something that I think grated on a lot of folks, the taxpayer groups and the environmental groups. Had it not been for the gentleman from Oregon (Mr. BLUMENAUER) and the gentleman from Nebraska (Mr. BEREUTER), we probably would not be here today. I want to give them particular acknowledgment for their efforts to craft a compromise, and it was not easy. We have been through this I do not know how many years.

These two gentlemen have toiled in the vineyards trying to get this legislation passed, and it is a real tribute to their perseverance that we are here today. And I also thank the gentleman from Massachusetts (Mr. FRANK) for his incisive leadership as well, as well as the gentleman from Louisiana (Mr. BAKER) because he was an integral part of forming the compromise that led to a unanimous vote in the subcommittee as well as the full committee and bringing this to the floor today.

This program is vital. We proved that by letting it expire some time for the first part of the year and then came back and made it retroactive as indicated, but we found out very quickly it was incredibly important from a lot of housing groups that we needed to move and move fast. It was, I think, the first bill that was passed in the last year to make up that difference.

□ 1730

This gives us an opportunity to really reform this program in the right way. We hopefully are in a situation where the other body can take a look at this. We would, of course, agree to a short-term extension but at the same time get some assurances that we can really address this problem. There are too many people out there who depend on this program, there are too many taxpayers who have been ripped off over the years by the abuse of this program, and that is what the reform really does.

From the environmental side, from the taxpayer side, this is good legislation, crafted by the committee and made better by the gentleman from Louisiana (Mr. BAKER) and his efforts. I want to thank all of them for their efforts. Also I see the gentleman from Texas (Mr. GREEN) who has also been a participant in this and has some very important issues to raise in terms of property values that have arisen in his Houston district. We were pleased to add that language to the legislation as well.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, I rise in support of this legislation which will take important steps towards reforming the National Flood Insurance Program that will, in the end, benefit taxpayers, the environment, and people who suffer from frequent flooding by improving mitigation programs.

Mitigation is important both in terms of saving lives and in terms of saving dollars. There is a great example of a success in one of the counties in my district, Tillamook County. Five rivers flow into Tillamook Bay, leading to frequent floods during rainy Oregon winters. Realizing the repeated problem with flooding they face, the county and local businesses and residents have stepped up to address the issue. From the earliest days of their participation in Project Impact, Tillamook has been involved in flood mitigation before anyone else knew what that meant, and they have reduced the damages caused by flooding significantly. While floods still come frequently, they no longer cause million upon millions of dollars in damages to residents and businesses thanks to the great work done in Tillamook County. In this regard, I believe it is important to make sure the Federal Government is a partner in these efforts and does not penalize Tillamook and other localities for

their hard work. One part of this is ensuring that local communities, who are knowledgeable about the local businesses, are the ones making the decisions instead of a Federal agency like FEMA. Based on communications with the gentleman from Oregon (Mr. BLUMENAUER) and FEMA, local communities will indeed have the decision-making authority under this legislation.

I have spoken with many local governments and civic leaders from Oregon, including mayors, county commissioners, city council members and local flood plain managers. Each have expressed their support for the creation of a better mitigation program to prevent flood damage from ever happening. This bill accomplishes that goal.

I rise in support of the gentleman from Oregon's and the gentleman from Nebraska's legislation and urge my colleagues to vote in favor of it.

Mr. NEY. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Mr. Speaker, let me first pay special thanks and appreciation to the gentleman from Louisiana (Mr. BAKER) who has worked tirelessly this week to try to find some rational amendment to this bill that made it somewhat better for those of us who represent districts that are literally so low along the coast of this country, mine included. You can imagine living in coastal Louisiana and most of the Cajuns I represent live there, very poor people in many cases who live and have lived there for centuries almost in that same area, to try to make this a little better.

Let me explain the problem that coastal communities face, particularly coastal Louisiana, with a bill like this. First of all, the flood insurance program is kind of special in America. Flood victims are the only ones who are obliged to belong to an insurance program. We do not have an earthquake insurance program. We do not have a fire insurance program for the homes in California that were damaged by these fires. We do not have violence insurance programs for the urban city. What we have is a flood insurance program that we are mandated to join. Unlike the other disasters that strike America, whether it is tornadoes, earthquakes or other fire disasters out West, when those disasters come, this Congress, this government, responds fully to assist those victims through FEMA. In flood-prone areas, we are obliged to put up our premiums in a flood insurance program and that Flood Insurance Program, I am told, has not lost a dime. It is not paid by taxpayers. The flood losses are paid, instead, by the premiums that go into that fund.

Louisiana happens to drain 43 States. Forty-three States of America, from the Appalachians to the Rockies, drain right through Louisiana. Coming from the North are tons of water, coming

from the South is the Gulf of Mexico, and we are eroding at 35 square miles a year.

Do we get help? Sometimes, yes, we get some levees built once in a while. Mostly we get resistance from the Federal Government in building levees to protect those poor Cajuns who live in coastal Louisiana. And now comes a bill that says, well, if you're unlucky enough to get flooded too often, you just might have to sell your home to the Federal Government, and then you can't do anything with your property anymore. You have to move out. We got kicked out of Nova Scotia in 1755, and we came to America, and we settled in Louisiana. You are not going to kick us out of Louisiana, not with this bill or any other bill.

What is wrong with this notion is that it penalizes flood victims unlike it penalizes any other victims in America. First, you have to buy the insurance. Second, if you get flooded too many times, the government can take your house because you cannot pay the mitigation. You cannot afford to lift an old family home up 14 feet in the air. Thirty-five square miles of loss in erosion every year. FEMA predicts right now that if the folks who live in New Orleans get hit by a Category 4 hurricane coming through Lake Borgne or Barataria Bay, 27 feet of water in New Orleans. It comes down to luck in some cases. If the storm hits you too often and you get flooded too often, you get penalized under this bill. If you are living in the lowest part in New Orleans, but you did not get flooded yet, the levees have held, you are okay. You do not have to sell your home, you do not have to mitigate, you do not have to pay excessive premiums.

Mr. Speaker, I thank the gentleman from Louisiana (Mr. BAKER) for helping this bill get better, but it is still a bad bill.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 6 minutes to the gentleman from Oregon (Mr. BLUMENAUER), one of the main co-authors.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy in permitting me to speak on this, and I appreciate the leadership that has been shown by the committee, the gentleman from Ohio (Mr. OXLEY), the gentleman from Massachusetts (Mr. FRANK), the principal lead sponsor the gentleman from Nebraska (Mr. BEREUTER) who has been working on this for a number of years.

I am afraid the gentleman from Louisiana (Mr. TAUZIN) fundamentally misses the point for why we have a flood insurance program. I find no small amount of irony that it was the late Hale Boggs who was one of the first three sponsors of the flood insurance program in 1968 precisely because the people in Louisiana needed a program like this. I have encouraged my friends from Louisiana who were skeptical to maybe look at the facts. It is the people in Louisiana who are actually paying more money, and I wish the

gentleman from Louisiana was still here so that we could engage in a little bit of a colloquy at some point, but they have paid more than \$200 million in premiums above what they have gotten back. There are a few of the Cajuns who are part of the 10,000 people who are flooded repeatedly, in many cases being paid more than the price of the property value. This bill would help these people. We have in our files correspondence from people who are trapped because of the repetitive flood loss. They cannot sell their property.

This bill, contrary to what my friend from Louisiana says, would not force anybody to sell their property. It would, for the first time, provide adequate mitigation on an ongoing basis so that they would have a choice. They could floodproof the property, raise it if it is cost-effective or they could relocate. Thanks to the gentleman from Texas (Mr. GREEN), there is extra provision to make sure that some of these low-income properties are dealt with. One of the problems is that under this program, other people in Louisiana would be paying much higher rates over time to pay for a few repetitive flood loss properties.

Mr. Speaker, I think this bill is coming at exactly the right time. We are going to be able to take care of the 1 percent of the property that is costing thousands of policyholders in Louisiana more than they are putting in, and if we would take the approach of my friend from Louisiana, unfortunately, they would be paying even more in premium while other people are trapped in this repetitive flood loss cycle. This bill signals a higher profile and greater interest in a commonsense solution.

One of the reasons the business community is so interested in it is because it will help make sure that the properties here can be financed. It will make sure that we cut down the long-term burden for 4.5 million policyholders across the country who are paying year after year more money. It is not just the people in Louisiana that are being disadvantaged, but millions of policyholders around the country who are paying higher premiums than are necessary. If we are able under this program to defer just one 10 percent premium increase, it will mean a savings for policyholders across the country of \$165 million each and every year on into the future. And there are tax dollars involved here, because there are countless times where the Federal Government steps in with disaster relief. With this program and its mitigation, we will be spending fewer of these tax dollars.

Mr. Speaker, this is sound environmentally, it is sound in terms of economic development, it is sound in terms of helping these people in harm's way, and it sends the right pricing signals. It does not force them out of their home but it says if you are going to stay there, you are going to start paying a little bit more so that the rest of

the people in Louisiana and Mississippi and Missouri and Oregon, God forbid, do not have to pay a disproportionate amount unnecessarily. But part of the advantage of this bill cannot have a price put on it. It is going to save lives.

Looking in today's paper, there were three people killed yesterday in Maryland. I do not know what the loss is in Louisiana or Mississippi or Oregon. We have seen them time and time again. This is a proposal that is going to help get these people out of being trapped and I think not just save money but it is going to stop the disruption of business and it is going to save lives. It is right for the environment, it is right for the economy, it is right for the Federal taxpayers and it is right even for my colleague's Cajun friends who are going to end up being out of this flooding cycle and more people in Louisiana are going to save in premium dollars.

Mr. NEY. Mr. Speaker, in a calmer, non-Cajun moment, I yield 5 minutes to the gentleman from Nebraska (Mr. BEREUTER).

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I first want to thank the distinguished gentlemen from Ohio (Mr. OXLEY) and (Mr. NEY) the chairman and subcommittee chairman, and the distinguished gentleman from Massachusetts (Mr. FRANK) for his tenaciousness and support for quite a number of years on this issue. I think I have been working on it approximately 14 or 16 years now, first with Congressman Joe Kennedy of Massachusetts, but in recent years with the help of the gentleman from Oregon (Mr. BLUMENAUER), who has been a partner in this effort and a tireless advocate of reform of the NFIP.

I want to say that the bill is better coming through committee because of the work of the gentleman from Louisiana (Mr. BAKER). He constantly brought issues to me and particular circumstances in his constituency and individually or collectively we worked out solutions which made the bill better. And he has helped today here in the process of addressing a couple of other concerns that I think are helping to make the bill better.

This bill will give FEMA the needed tools to reduce the number of repetitive loss properties which cost the NFIP about \$200 million annually. These properties, while comprising approximately 1 percent of the currently insured properties, are expected to account for 25 to 30 percent of the claims paid. The vast majority of repetitive loss properties are receiving flood insurance premiums at a cost that are below their actuarial risk.

As far as the contents, this legislation authorizes two programs which address repetitive loss properties. First, it authorizes a new pilot program. Second, the bill uses FEMA's existing flood management assistance to provide assistance to repetitive claims properties. At the outset, I think it is

important to note that no property owner under this bill is ever denied Federal flood insurance except for fraudulent claims.

This Member will give a brief description of these two programs. The pilot program authorizes up to \$40 million a year to be transferred from the National Flood Insurance Fund over 5 years for mitigation assistance to severe repetitive loss properties. The pilot program which expires on September 30, 2008, under this legislation addresses these properties in a simple, straightforward manner. The owners of a severe repetitive loss property will be charged something closer to the actuarial, risk-based rates for a progressive period on their national flood insurance policy. That is a change we made just today in response to concerns brought to us.

The first condition is that there has to be a severe repetitive loss property. The second condition is that the owner of the property must have refused a mitigation measure from a State or locality such as an elevation of the structure or buyout of the property. Furthermore, this bill would allow the director of FEMA to reduce the non-Federal cost share under the pilot program from the current 25 percent to as low as 10 percent in any State that has 5 percent or more of the total number of severe loss properties in the U.S.

□ 1745

In 2002, for example, this benefit would be qualified for Louisiana, Texas, New Jersey, Florida, North Carolina, New York. So in other words, the non-Federal share is reduced from 25 percent to as low as 10 percent because these States have a number of these repetitive-loss properties.

So we are trying this new step to accommodate those particular costs. This legislation also allows any owner of a severe repetitive-loss property to appeal and increase to anything approaching an actuarial rate of insurance to an independent third party, and one of the grounds for appeal is that the owner of the property will not be able to purchase a replacement primary residence of comparable value that is functionally equivalent to their current residence.

I think it is important to note the broad coalition of groups which are supportive of the legislation: the Heritage Foundation, the National Taxpayers Union, Citizens Against Government Waste, Taxpayers for Common Sense, the National Association of Realtors, America's Community Bankers, The National Association of Professional Insurance Agents, the Independent Insurance Agents and Brokers of America, the Mortgage Bankers Association, the American Bankers Association, the Association of State Floodplain Managers, the American Planning Association, the National Wildlife Federation, Friends of the Earth, the U.S. Public Interest Research Group,

American Rivers, The Ocean Conservancy, and the Coast Alliance. And that is a pretty broad coalition.

I want to bring three other things to the attention of the body. First of all, a provision in this bill was deleted which would otherwise have unintentionally provided no Federal disaster assistance to be given to severe and repetitive-loss properties or repetitive-claims properties if the owner refused to accept mitigation. This change was done in our legislation upon the very constructive suggestion of the distinguished gentleman from Louisiana (Mr. TAUZIN).

Lastly, a provision was included in H.R. 253 which was offered by the gentleman from Texas (Mr. GREEN). His provision addresses the issue of the amount of the buyout offer. Under this bill, the buyout offered by the States or locality would be the highest of three differential rates. And, finally, third, we have changed the title to more accurately reflect the reality that in the process of compromise, only one of these two programs has anything to do with two floods.

I thank the gentleman for yielding me this time.

This bill was introduced by this Member on January 8, 2003. It both authorizes the NFIP through September 30, 2008, and makes essential changes to the program as it relates to the mitigation of repetitive loss properties. The NFIP is set to expire on December 31, 2003. This legislation passed the House Financial Services Committee, as amended, without noted dissent by a bipartisan voice vote on July 23, 2003.

This Member believes that it is important that one final public policy point be made. Under the NFIP, a very large regional cross-shifting of the cost of flood insurance is occurring; the policyholders in nonrepetitive loss areas of the country by their higher than appropriate premiums are subsidizing the policyholders in repetitive loss areas of the country. This bill will give FEMA the needed tools to substantially reduce the dramatic cases of this cost-shifting to other NFIP policyholders.

Mr. Speaker, in closing, we need to stop the very expensive treading through the water of repetitive loss after repetitive loss. Passing this legislation is the right thing to do at the right time. This Member urges his colleagues to support H.R. 253.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. GREEN), who came to us earlier and mentioned a particular problem affecting his State and is responsible, with the support of others from Texas, for a very constructive change in this program.

Mr. GREEN of Texas. Mr. Speaker, I thank our ranking member and the chairman of the committee for working with us on this.

The National Flood Insurance Program is absolutely essential for the financial security and quality of life for millions of Americans who live near our coasts and rivers, and it is vital to our flood-prone areas. And I can relate to the gentleman from Louisiana's (Chairman TAUZIN) concern because

being a neighbor of Louisiana, we have a problem with flooding too, although we in Texas were not thrown out of Nova Scotia. We were typically run off, though, because we owed somebody in some other State. That is why we ended up in Texas originally.

So I am pleased that this legislation has been changed to reflect a more realistic definition of repetitive-loss properties, four strikes instead of the punitive two strikes in the original legislation.

And my community will also be glad to know that people who refused a buyout for whatever reason will not be denied Federal disaster assistance should they find their lives ruined by a future event.

As for folks who reach the definition of repetitive-loss properties and do receive a buyout offer from the Federal Government, the Bereuter substitute now allows for communities conducting these buyouts to offer replacement values when appropriate.

I want to express my appreciation again to the chairman and ranking member of the Committee on Financial Services and the subcommittee and also to the gentleman from Nebraska for their support of this important provision. I also want to note the gentleman from Houston, Texas (Mr. BELL) also assisted in this.

When FEMA came in to do a large number of buyouts after Tropical Storm Allison in Harris County in 2001, which flooded a total of 72,500 homes in Houston, Harris County, we had problems finding money so folks getting bought out could afford another home.

FEMA realized the necessity of replacement value in certain cases in my area and other areas. FEMA had to scramble to find funding from other programs, HUD programs and other sources, which is not ideal.

Some of my constituents, and again I do not have a wealthy area, actually received offers of \$12,000 for their property because that was fair market value, which was completely inadequate for them to purchase anything outside the floodplain.

So I am pleased that the legislation incorporates our provision allowing communities to offer replacement value to flood victims when they realize that the fair market value is inadequate and FEMA agrees with that assessment. Without this provision, FEMA would have to deal with more homeowner appeals of buyout offers, and the time and the cost for repetitive-loss buyout projects would increase.

Again, the bill has so many good things about it, not just a typical extension of the authorization. And again I want to thank the chairman and ranking member for working with me on the legislation and being willing to address the needs of the flood victims. I am proud to support H.R. 253.

The SPEAKER pro tempore (Mr. SWEENEY). The Chair would advise Members the gentleman from Ohio (Mr.

NEY) has 5½ minutes remaining, and the gentleman from Massachusetts (Mr. FRANK) has 5 minutes remaining.

Mr. NEY. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. Mr. Speaker, I thank the chairman for yielding me this time.

This is very difficult work. I want to start out by stating appreciation to the gentleman from Nebraska (Mr. BEREUTER) for over a decade-long effort. It seems as though a lot of meaningful reforms around here take a decade or better. But he has been persistent, yet very cooperative in reaching agreements that make sense.

It has been difficult work because we have a unique State that is a beneficiary of this program to a great extent over others; but as the gentleman from Oregon (Mr. BLUMENAUER) pointed out, we also make larger contributions than just about anybody else because our people participate. We pay a premium. The premium goes into a bank account. The bank account pays the claim. If we do not have enough money in the bank, we have a line of credit. In the history of the program, anytime a line of credit has been extended, we not only pay it back, we pay it back with interest. There is no other pre-need program of this sort in the country. It does work and provides a valuable resource to hard-working people who live in regions of the country who suffer from persistent flooding.

But we do not defend, and we are not here today to say, that people who abuse the program, who repetitively make claims on the program, who intentionally buy property for the sake of gaming the system, should be protected. And the bill we have before us today, to the gentleman from Ohio's (Chairman OXLEY) credit, to the gentleman from Nebraska's (Mr. BEREUTER) credit, the gentleman from Massachusetts (Mr. FRANK), the gentleman from Oregon (Mr. BLUMENAUER), will preclude that practice from being encouraged in the future.

And for those folks who happen to be listening to the debate from back home in Louisiana, there are some assets to this proposal which are very meaningful. When they finally get that designation, if it does occur, there is now a provision for mitigation, a new and unique system, where the government can actually help them. There are many people back home today who are trapped in these properties. They cannot sell them. They are below market value. Worse yet, they may be below in value what they owe on the property because of repetitive claims. Now we have the ability for the government to either buy the property at a reasonable price or to provide a mechanism to reduce the likelihood of flooding by simply elevating the home, and we do that with a new 90/10 program where 90 percent of the money will be provided by the government with the homeowner putting up only 10 percent. It is new

landmark assistance that has never existed before.

When we get these repetitive-loss problems off the books, I think the program cash flows very well; and I will continue, as I have pledged to the gentleman from Louisiana (Mr. TAUZIN), who has expressed his deep concerns about where this program might be going, that in the months and years ahead we will continue to work to protect the interests of hard-working people in Louisiana to make sure that equity is the rule of the day. If we are going to write checks and not expect repayment for a California earthquake or a mudslide in the Northeast or a tornado in Oklahoma or a fire somewhere else and say that that is okay to use taxpayer money for that purpose, we have a justifiable reason in this case to say in Louisiana we are paying our way. We think equity cries out that we preserve this program. Ask us to pay the premium, run it properly, and hold others to account the way hard-working Louisianans are held to account, and all will be well with us.

Mr. FRANK of Massachusetts. Mr. Speaker, I did want to enter my Russian grandparents in the "they got run out" contest, but I will do that later.

Mr. Speaker, I yield 30 seconds to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I just wanted to comment briefly because it is hard to get through things very quickly, but one of the things that was in my notes that I wanted to acknowledge was that this bill is a very different bill because of the contribution the gentleman from Louisiana (Mr. BAKER) made. I personally learned a lot about the flood insurance program in a broader context in terms of some of the history, in terms of some of the dynamics and some of the perceptions that we need to build. My good friend from Nebraska mentioned the name change. It is not just symbolic. I think it is something that really reflects a better approach, and it would not have happened without the gentleman from Louisiana (Mr. BAKER), and I appreciate it.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMPSON).

(Mr. THOMPSON of California asked and was given permission to revise and extend his remarks.)

Mr. THOMPSON of California. Mr. Speaker, I thank the gentleman for yielding me this time.

I think it is very important that in the reauthorization of the National Flood Insurance Program that we include provisions that are much more forward looking and provide opportunities to communities to avoid catastrophic problems that a little advanced work could, in fact, avoid. A really good example of this can be seen in my district out in the Napa Valley out in California when after the major floods in 1995 that caused about \$85

million worth of damages, ruined about 27 businesses and nearly 1,000 residential properties, the community came together, came together and changed the way that we do flood protection, recognizing that we need to build regional programs that will allow us to protect these properties that continually are damaged by flood with somewhat unconventional methods.

The Army Corps of Engineers, resource agencies, the wine industry, the conservation community all came together to develop a innovative flood protection plan for Napa, which includes 100-year flood protection with the creation of a 600-acre tidal wetlands while also protecting the reconstruction of existing structures to prevent future flood damages.

I want to commend everyone who worked so hard on this bill, and particularly the gentleman from Oregon (Mr. BLUMENAUER), who brought this particular emphasis to the debate. I know that we will all be better off. We will save businesses. We will save residential properties. We will save money, and we will save lives.

Mr. NEY. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Speaker, I thank the gentleman for yielding me this time. And I thank all of the Members and the staff that have worked on this piece of legislation because I think fundamentally this brings many disparate Federal programs that are often paid for by taxpayers at cross-purposes into clearer focus.

I want to make three points. One, many taxpayers pay to restore environmental degradation. Taxpayers provide incentives to keep people out of harm's way. Taxpayers pay to provide incentives to degrade the environment under many circumstances. Taxpayers provide incentives to put people in harm's way. What this legislation does is clearly view the problems of disparate Federal programs and provide an incentive to move in the right direction.

The third point I want to make, though, I came from England to live in the Chesapeake Bay. I was run out of England around the time of John Smith. We live in a region where there are a number of storms and a number of people that are in harm's way. Keep in mind my perspective that the Federal Flood Insurance Program, the premiums paid into it fundamentally only pay a tiny fraction of the cost of these problems because we have to pay for the police, the fire department, the National Guard, residences where people must live. So this legislation brings into clear focus the needs of this problem.

□ 1800

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, I want to again express my appreciation to the people working

on this, and I should acknowledge, as others have, we do recognize that Louisiana, because of geography and history, has different problems and I am pleased that we were able, and I understand we were not able to get everybody together, but I think it was a good thing that because of the gentleman from Louisiana (Mr. BAKER) and the gentleman from Louisiana (Mr. TAUZIN), the bill is different than it would have been. They did call to our attention special problems that they have; we cannot always resolve everything. But I appreciate that we were able to move in that spirit.

I also wanted at this point, Mr. Speaker, to say that I know the gentlewoman from California who has been working on this from my subcommittee as well as others has some concerns, and I yield to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I would like to say that I am pleased that this bill has been reauthorized for at least 5 years. I want to say that the gentleman from Louisiana (Mr. BAKER) makes a very good point. Reform is always very difficult, and we need to recognize that there are things that fall outside of the traditional thinking about some of these floodplains.

For example, in my own city, in my district, there was flash flooding, the first time it ever happened in the history of the State, and we had this flooding and all of these little homes were damaged, they will not meet the FEMA assessment requirements, and we need to find ways in which we deal with that kind of freak of nature also. So I would like very much to continue to work on this.

Mr. FRANK of Massachusetts. Mr. Speaker, reclaiming my time, I thank the gentlewoman. Let me say, first of all, she talked about encouraging thinking outside the traditional. For me she has picked a good week in which to do this. I have been spending a lot of time talking about some non-traditional thinking this week in my State Supreme Court on Tuesday. But in the particular issue that she mentioned, that she has alerted us to it, she is absolutely right. The people in her district were hit by some natural disaster that no one could have predicted. We need to have a capacity to help communities respond to the unpredictable as well as the predictable. And I would assure her that it is my intention, now that she has brought this to our attention, to see that the committee addresses that to the extent that we can next year.

I also just want to say in closing, Mr. Speaker, that I am very pleased that we are where we are, but I should reiterate, we are at a point where we are, I believe, going to agree to a 3-month extension of this program. I hope no one thinks that simply by inaction, they are going to be able to coerce us, and I do not mean anybody in this room or who votes in this room; I just do not want anyone to think that inaction will force us to continue to do

year-by-year extensions that the chairman had talked about. We made a serious, good-faith compromise here. I believe it ought to be generally acceptable. I hope that early next year, when Congress reconvenes after our recess, we will be able to come forward with this bill with maybe some minor changes and get some further study, and it will become law. I hope that everyone understands that this is our chance to put this on the kind of indefinite footing it ought to be on.

Mr. NEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I want to commend the gentleman from Louisiana (Chairman TAUZIN) for recommending the Louisiana Purchase to Thomas Jefferson. It was a good deal then, and it remains a good deal today. I particularly thank my colleagues, the gentleman from Louisiana (Chairman BAKER), the gentleman from Ohio (Chairman NEY), the gentleman from Nebraska (Chairman BEREUTER), and the gentleman from Ohio (Chairman OXLEY). My friend from Louisiana was very, very helpful in crafting amendments that have been incorporated in the bill to bring some fairness to policyholders that I believe were lacking in the original bill.

I represent Floridians at both the Atlantic Ocean and the Gulf of Mexico, and we certainly see our fair share of hurricanes and tropical storms. The base bill would have punished people for choosing to live there. Does the Federal Government discriminate against people who choose to live in the areas that are prone to earthquakes or tornadoes? Of course not. Some people who live in coastal areas should not be punished either.

So reauthorizing the National Flood Insurance Program is extremely important. I would have preferred a cleaner reauthorization, but I am thrilled it is for 5 years. Of course, failure to reauthorize this program would have disastrous consequences to policyholders, as well as to the banking and real estate industry in my State. I thank all for their cooperation, and I look forward to passage of this important legislation.

Mr. NEY. Mr. Speaker, I yield myself the remaining time.

In closing, I want to thank everybody involved with this bill. I want to mention the supporters of H.R. 253 include National Taxpayers Union, Citizens Against Government Waste, Heritage Foundation, Taxpayers for Common Sense, American Bankers Association, National Association of Realtors, America's Community Bankers, Mortgage Bankers Association, National Association of Homebuilders, National Association of Professional Insurance Agents, Independent Insurance Agents and Brokers of America, American Planning Association, the Association of State Floodplain Managers.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. NEY. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, the first group the gentleman read, the Heritage Foundation and that group, would you send them a note reminding them where I was on this bill, that I helped on this bill?

Mr. NEY. Mr. Speaker, I will do that, and then I will make a phone call too, and if the gentleman wants, we will bring them to his office for a chat.

Mr. OSBORNE. Mr. Speaker, I rise in support of H.R. 253, which is a reauthorization of the National Flood Insurance Program, introduced by my colleagues Congressmen DOUG BEREUTER and EARL BLUMENAUER.

The legislation reauthorizes the National Flood Insurance Program and reforms it to ensure the availability of flood insurance while reducing the amount of money spent on frequently flooded properties.

H.R. 253 creates a pilot program to mitigate the severe repetitive loss properties in the National Flood Insurance Program and sets up an equitable process for the treatment of policyholders who refuse mitigation. This legislation also uses the existing Flood Mitigation Assistance Program to further mitigate repetitive claims properties.

H.R. 253 authorizes funds to be transferred from the National Flood Insurance Fund into the National Mitigation Fund for both the pilot program and the FMA program for purposes of mitigation.

Mr. Speaker, numerous communities in my district participate in the National Flood Insurance Program, including the community of North Platte, NE.

This community is surrounded by the North and South Platte rivers which merge together to form the Platte River east of North Platte.

The citizens in North Platte have been paying substantial premiums for flood insurance without experiencing the flood events that other communities encounter.

In fact, collectively they have paid over a \$1 million in premiums each year, but collected a total of \$26,000 in settlements.

While the citizens of North Platte are grateful the program exists in the event that the 100-year flood does come, many residents are upset with the skyrocketing premiums for flood insurance.

A \$170,000 home in 1993 would have had a flood insurance premium of over \$200.

In 2003, that same property is costing over \$1,000 in flood insurance premiums.

Mr. Speaker, I believe this legislation will reduce the number of repetitive claims in areas that are frequently flooded, so communities like North Platte will not continue to subsidize those communities by paying higher premiums.

I ask that my colleagues support this important legislation.

Mr. RAHALL. Mr. Speaker, I rise today in opposition to this bill.

In these waning hours of the first session of the 108th Congress, it is absolutely true that we need to reauthorize the National Flood Insurance Program, which is due to expire at the end of this year. However, this is not the bill with which to do so.

I should note that there is much in this bill that I support. As an example, this bill will offer a multi-year reau-

thorization, which will definitely help with municipal planning. But, this bill could harm many of my unfortunate constituents in Southern West Virginia who have already suffered so much in flood damage over the last several years. They already have to buy flood insurance, in the first place. Now, their burden is going to be increased, again, under this proposal.

Under the pilot program, which I fear may wind up covering too many of my constituents, this bill will disallow more than four separate claims payments under flood insurance if the amounts exceed \$3,000 each or just \$15,000 in total. If an individual exceeds these limits, as many of my constituents may, they could be forced to accept mitigation. At worse, mitigation means having to move to a new residence or else face increased insurance premiums that many of my constituents just can't afford.

Mr. Speaker, my constituents in West Virginia who are suffering disaster aren't people who are losing beachfront vacation homes. These are people who are losing their livelihoods. Many of them live in homes built long before flood risks were even known, and their land is sacred to them. For many, their properties have been in the family for generations, and being told that you have to move is not consolation.

Southern West Virginia has suffered massive, unpreventable, and unanticipated flooding since 2001. The U.S. Geologic Survey said the 2001 flooding in the cities of Pineville and Mullens, West Virginia even exceeded the 100-year flood level, the estimated maximum expected to occur in a 100-year period, as the Guyandotte and Tug Rivers rose to record levels. The Governor's helicopter actually had to be used to rescue people off of rooftops.

In McDowell County, we actually experienced two different 100-year floods in consecutive years.

We have even experienced two floods just this week due to the severe weather conditions. The most recent storm damaged more homes and businesses across the region, and caused Governor Bob Wise to extend a state of emergency to 29 counties, many of which are in my district.

Mr. Speaker, I have been working tirelessly with the U.S. Army Corps of Engineers, the Appalachian Regional Commission, and state and local authorities to combat our flood damage while seeking to prevent future flooding. I have even worked with the U.S. Library of Congress to replace books, electronic employment, and furniture destroyed at the McDowell Public Library. In addition, we are updating flood maps in the region to be able to better gauge where future flooding would be likely to occur.

But, my constituents can't hold back the weather, and they need relief. Unfortunately, this bill, instead, seeks to limit that relief and maybe even force some West Virginians to have to surrender their dearly-held property.

The SPEAKER pro tempore (Mr. SWEENEY). The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and pass the bill, H.R. 253, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. VITTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause of 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed. Votes will be taken in the following order:

Concur in Senate amendments to House Joint Resolution 63, by the yeas and nays;

Concur in Senate amendments to House Concurrent Resolution 209, by the yeas and nays;

Concur in Senate amendments to H.R. 1828, by the yeas and nays, and H.R. 253, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

COMPACT OF FREE ASSOCIATION AMENDMENTS ACT OF 2003

The SPEAKER pro tempore. The pending business is the question of suspending the rules and concurring in the Senate amendments to the joint resolution, H.J. Res. 63.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and concur in the Senate amendments to the joint resolution, H.J. Res. 63 on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 417, nays 2, not voting 15, as follows:

[Roll No. 652]
YEAS—417

Abercrombie	Barrett (SC)	Bishop (NY)
Ackerman	Bartlett (MD)	Bishop (UT)
Aderholt	Barton (TX)	Blackburn
Akin	Bass	Blumenauer
Alexander	Beauprez	Blunt
Allen	Becerra	Boehkert
Andrews	Bell	Boehner
Baca	Bereuter	Bonilla
Bachus	Berkley	Bonner
Baird	Berman	Bono
Baker	Berry	Boozman
Baldwin	Biggert	Boswell
Ballance	Bilirakis	Boucher
Ballenger	Bishop (GA)	Boyd

Bradley (NH)	Gordon	McCarthy (MO)	Sanchez, Loretta
Brady (PA)	Goss	McCarthy (NY)	Spratt
Brady (TX)	Granger	McCollum	Stark
Brown (OH)	Graves	McCotter	Stearns
Brown (SC)	Green (TX)	McCrery	Stenholm
Brown, Corrine	Green (WI)	McDermott	Strickland
Brown-Waite,	Greenwood	McGovern	Stupak
Ginny	Grijalva	McHugh	Sullivan
Burgess	Gutierrez	McInnis	Sweeney
Burns	Gutknecht	McIntyre	Scott (GA)
Burton (IN)	Hall	McKeon	Scott (VA)
Calvert	Harman	McNulty	Sensenbrenner
Camp	Harris	Meehan	Serrano
Cannon	Hart	Meek (FL)	Sessions
Cantor	Hastings (FL)	Meeks (NY)	Shadegg
Capito	Hastings (WA)	Menendez	Shaw
Capps	Hayes	Mica	Shays
Capuano	Hayworth	Michaud	Sherwood
Cardin	Hefley	Miller-	Shimkus
Cardoza	Hensarling	McDonald	Shuster
Carson (IN)	Herger	Miller (FL)	Simmons
Carson (OK)	Hill	Miller (MI)	Simpson
Carter	Hinchee	Miller (NC)	Skelton
Case	Hinojosa	Miller, Gary	Slaughter
Castle	Hobson	Miller, George	Smith (NJ)
Chabot	Hoeffel	Mollohan	Smith (TX)
Chocola	Hoekstra	Moore	Smith (WA)
Clay	Holt	Moran (KS)	Snyder
Clyburn	Honda	Moran (VA)	Solis
Cole	Hooley (OR)	Murphy	Souder
Collins	Hostettler	Murtha	
Conyers	Houghton	Musgrave	
Cooper	Hoyer	Myrick	
Costello	Hulshof	Nadler	
Cox	Hyde	Napolitano	
Cramer	Inslee	Neal (MA)	
Crane	Isakson	Nethercutt	
Crenshaw	Israel	Neugebauer	
Crowley	Issa	Ney	
Culberson	Istook	Northup	
Cummings	Jackson (IL)	Norwood	
Cunningham	Jackson-Lee	Nunes	
Davis (AL)	(TX)	Nussle	
Davis (CA)	(JK)	Oberstar	
Davis (TN)	Jefferson	Obey	
Davis, Jo Ann	Jenkins	Olver	
Davis, Tom	John	Ortiz	
Deal (GA)	Johnson (CT)	Osborne	
DeFazio	Johnson (IL)	Ose	
DeGette	Johnson (NC)	Otter	
Delahunt	Johnson, Sam	Owens	
DeLauro	Jones (NC)	Oxley	
DeLay	Jones (OH)	Pallone	
Deutsch	Kanjorski	Pascrell	
Diaz-Balart, L.	Kaptur	Pastor	
Diaz-Balart, M.	Keller	Payne	
Dicks	Kelly	Pearce	
Dingell	Kennedy (MN)	Pelosi	
Doggett	Kennedy (RI)	Pence	
Dooley (CA)	Kildee	Peterson (MN)	
Doolittle	Kilpatrick	Peterson (PA)	
Doyle	Kind	Petri	
Dreier	King (IA)	Pickering	
Duncan	King (NY)	Pitts	
Dunn	Kingston	Platts	
Edwards	Kirk	Pombo	
Ehlers	Kleczka	Pomeroy	
Emanuel	Kline	Porter	
Emerson	Knollenberg	Portman	
Engel	Kolbe	Price (NC)	
English	Kucinich	Pryce (OH)	
Eshoo	LaHood	Putnam	
Etheridge	Lampson	Radanovich	
Evans	Langevin	Rahall	
Everett	Lantos	Ramstad	
Farr	Larsen (WA)	Rangel	
Fattah	Larson (CT)	Regula	
Feeney	Latham	Rehberg	
Ferguson	LaTourette	Renzi	
Filner	Leach	Reyes	
Flake	Lee	Reynolds	
Foley	Levin	Rodriguez	
Forbes	Lewis (CA)	Rogers (AL)	
Ford	Lewis (KY)	Rogers (KY)	
Fossella	Linder	Rogers (MI)	
Frank (MA)	Lipinski	Rohrabacher	
Franks (AZ)	LoBiondo	Ros-Lehtinen	
Frelinghuysen	Loftgren	Ross	
Frost	Lowe	Rothman	
Gallegly	Lucas (KY)	Roybal-Allard	
Garrett (NJ)	Lucas (OK)	Royce	
Gerlach	Lynch	Ruppersberger	
Gibbons	Majette	Rush	
Gilchrist	Maloney	Ryan (OH)	
Gillmor	Manzullo	Ryan (WI)	
Gingrey	Markey	Ryuan (KS)	
Gonzalez	Marshall	Sabo	
Goode	Matheson	Sanchez, Linda	
Goodlatte	Matsui	T.	

Spratt	Upton
Stark	Van Hollen
Stearns	Velazquez
Stenholm	Vislosky
Strickland	Vitter
Stupak	Walden (OR)
Sullivan	Walsh
Sweeney	Wamp
Scott (GA)	Tancredo
Scott (VA)	Tanner
Sensenbrenner	Tauscher
Serrano	Tauzin
Sessions	Taylor (MS)
Shadegg	Taylor (NC)
Shaw	Terry
Shays	Thomas
Sherwood	Thompson (CA)
Shimkus	Thompson (MS)
Shuster	Thornberry
Simmons	Tiahrt
Simpson	Tiberi
Skelton	Tierney
Slaughter	Toomey
Smith (NJ)	Towns
Smith (TX)	Turner (OH)
Smith (WA)	Turner (TX)
Snyder	Udall (CO)
Solis	Udall (NM)
Souder	

NAYS—2

Coble Paul

NOT VOTING—15

Burr	DeMint	Lewis (GA)
Buyer	Fletcher	Quinn
Cubin	Gephardt	Sherman
Davis (FL)	Holden	Smith (MI)
Davis (IL)	Hunter	Weiner

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1829

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each additional motion to suspend the rules on which the Chair has postponed further consideration.

COMMENDING THE SIGNING OF THE UNITED STATES-ADRIATIC CHARTER

The SPEAKER pro tempore. The pending business is the question of suspending the rules and concurring in the Senate amendments to the concurrent resolution, H. Con. Res. 209.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska (Mr. BE-REUTER) that the House suspend the rules and concur in the Senate amendments to the concurrent resolution, H. Con. Res. 209, on which the yeas and nays are ordered.