

WASHINGTON, DC--Today, Congressman Earl Blumenauer (D-OR) joined with Congressman Doug Bereuter (R-NE) to reintroduce the "Two Floods and You're Out of the Taxpayer's Pocket Act." This bill, which was originally introduced in the 106th Congress, would address the excessive costs to the National Flood Insurance Program of repetitive loss properties. Repetitive loss properties are those which have sustained two or more flood losses of at least \$1,000 each in any 10-year period.

The "Two Floods" bill reforms the National Flood Insurance Program (NFIP) to provide a disincentive to property owners to live in repetitively flooded areas. Under the bill, the Program would provide repeatedly flooded homeowners assistance in either elevating or moving their homes away from floodwaters, rather than rebuild in harm's way. Those who refuse mitigation assistance would pay the full actuarial costs for choosing to live in a risky area.

Congressman Blumenauer stated, "It seems clear to me that Mother Nature never intended for people to live or work in floodplains, and the federal government should not assist people to do so. The need for re-examining our national flood insurance policy has taken on an even greater urgency due to the alarming increase in flood frequency and damage. I look forward to working with my colleague Rep. Bereuter to implement reforms that will benefit federal taxpayers, local communities, and our nation's waterways."

Between 1960 and 2000, the federal government spent more than \$38 billion in an attempt to control flooding in flood plains or wetlands. Despite that spending, flood losses now average about \$8 billion per year, six times the average flood losses of the 1950's, before the federal government made its investments. Most of these claims are for legitimate, first-time losses. However, although repetitive loss properties represent only two percent of all properties insured by the NFIP, they have claimed 36-40 percent of all NFIP payments since 1978. The purpose of the legislation introduced today is to avoid many of the injuries, deaths and damages before they occur, and to give property owners the option of moving to less hazardous areas.

In addition to reintroducing the "Two Floods" bill today, which would reform and reauthorize the NFIP until 2007, Congressman Blumenauer was also an original co-sponsor of a 1-year reauthorization of the Program, which expired on Dec. 31, 2002.