

## INTRODUCTION

Lester A. Herr, Chairman of Session, Chief, Bridge Division, FHWA

The topic of this session is "Transportation and Flood Plains" - a short name for a series of discussions concerning what is involved nowadays in crossing or encroaching on a flood plain with our ground transportation facilities. Both highway and railroad administrators and engineers have known for years what the impact of major floods have on their facilities. But now, we have a Flood Disaster Protection Act, a Federal flood insurance program and that all encompassing act, the National Environmental Protection Act.

These acts, in one way or another, require various types of regulations and even local legislation. Some of us in the transportation field have expressed concern about various legislation being proposed in some States. Therefore, the Transportation Research Board called a meeting of several interested persons representing private and governmental agencies to discuss the matter. Those at this meeting realized that:

1. new laws and regulations were being developed and implemented,
2. transportation people in general were not familiar with these developments, and
3. serious problems may develop in administering transportation facilities.

Since this topic involves people familiar with the legislation, and people who must get the job done--a special effort was made by the Committee to select speakers who were knowledgeable in these areas to make presentations at this session.

## THE FEDERAL FLOOD INSURANCE PROGRAM

Nicholas Lally - Director of the Flood Plain Management Division, Federal Insurance Administration, Department of Housing and Urban Development (HUD)

As far as Federal programs are concerned, the Federal Flood Insurance Program and related measures constitute some of the most misunderstood programs in existence. Much of this misunderstanding is due to the unique nature of the programs. The Flood Plain Insurance Program is a joint industry and government operation. The "insurance" is only one phase of the program. People overlook the real substance of the program, the required flood plain management measures that are a condition of the insurance program. While the objectives of the program are simple, the administrative problems are very complex.

After the big Kansas flood in 1951, President Truman asked the insurance industry to see if there was some way it could provide relief. A pilot study was made in New England, and after three years of evaluation, the industry concluded that in no way could flood insurance be made available as an industry function because it could not spread risk. The owner on the top of the hill would not buy flood insurance. The only people who would buy flood insurance were those who knew they were going to be flooded. Flood insurance has always been available from Lloyds of London at a cost of five or six hundred dollars per thousand dollars of coverage. The reason for the high rate was that the risk could not be spread.

In 1955 there was a major flood disaster in the northwest. The same winter California experienced some severe storms. The combined effects of these disasters once again put pressure on the Congress to find some way to provide relief for victims of flood disasters. These people are really victims. Generally, it is someone else's unwise decision to encourage them to be in areas subject to flooding. There are very few people today picking their own homesites or their own industrial sites. Generally, someone else made a decision that a flood plain was a good place to build. The occupant comes in at a later date and makes the decision to occupy. Congress recognized this and tried to find some way to provide relief for them. Despite the expenditure of billions on flood control work, the problem was not being solved. People were moving into flood prone areas faster than protection could be provided. When Congress passed the Housing Act of 1956, flood insurance provisions were included. It was a giveaway program which provided grants up to ten thousand dollars for individual home owners. It was designed for the small home owner. It was felt that industry, in many cases, could provide its own protection. There were members in Congress who recognized this for what it was. When it came time to develop some kind of a fee on an affordable rate for these people, it became readily apparent that a portion of the true cost of