



FEMA

April 11, 2014

MEMORANDUM FOR: James Featherstone
Chairman, National Advisory Council

FROM: W. Craig Fugate Administrator 

SUBJECT: Response to National Advisory Council Recommendations from
December 3, 2013 Meeting

Thank you for your letter dated December 31, 2013, regarding the National Advisory Council (NAC) recommendations from the December 3, 2013, public teleconference.

I have worked with the Federal Emergency Management Agency (FEMA) National Preparedness Directorate and Federal Insurance and Mitigation Administration to provide the following responses to the NAC recommendations.

FEDERAL INSURANCE AND MITIGATION ADMINISTRATION
Implementation of the Biggert-Waters Flood Insurance Reform Act of 2012 (BW-12)

NAC Recommendation 1A: Encourage and maintain participation in the National Flood Insurance Program (NFIP).

FEMA Response 1A: FEMA concurs with this recommendation. FEMA will continue to stress the importance of participation in the NFIP. Currently, we have more 22,000 participating communities. Conversely, there are just over 2,000 communities with a mapped flood risk that are not participating in the NFIP. In October 2013, the NFIP welcomed its 22,000 community when the Village of Royal, IL, joined the program.

NAC Recommendation 1B: Educate consumers about the NFIP and the flood risk associated with their property.

FEMA Response 1B: FEMA concurs with this recommendation. FEMA continues to educate consumers about flood risk and the need for insurance to financially protect investments from flood through the FloodSmart education campaign. This spring, FloodSmart is rolling out two new series of flood-related educational campaigns: (1) an earned media campaign including television public service announcements (PSAs), out-of-home (billboards) and bus advertising will focus on understanding local flood risk; and (2) a new paid advertising campaign including television, web, social and other media will focus on the consequences of not having flood insurance.

NAC Recommendation 1C: Complete the Affordability Study, which is intended to address the affordability of the NFIP premiums and the effects of increased premiums on low-income homeowners and will identify ways to increase affordability.

FEMA Response 1C: FEMA concurs with this recommendation and looks forward to receiving the report from the National Academy of Sciences (NAS) which will provide an economic analysis of the costs and benefits to the Federal government of an actuarially sound NFIP combined with a means-tested voucher or other affordability program. The NAS, as directed by the BW-12 legislation, has been contracted by FEMA to develop the analysis. A contract was awarded on August 2, 2013, to complete the design phase by March 2015. Once that phase is completed, we will determine the timeframe and the cost to complete the actual study. More information on the Academies' work can be found here:

<http://www8.nationalacademies.org/cp/projectview.aspx?key=49584>.

On March 21, 2014, President Obama signed the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) into law. HFIAA authorizes additional resources for the National Academy of Sciences (NAS) to complete the affordability study. The new law also requires FEMA to prepare a draft affordability framework, which is due to Congress 18 months after completion of the affordability study required by BW-12. The affordability framework will include proposals and proposed regulations for ensuring flood insurance affordability among low-income populations.

NAC Recommendation 2A: FEMA's Federal Insurance and Mitigation Administration (FIMA) conduct a systematic analysis of community participation in the Community Rating System (CRS). This analysis should focus on obstacles that prevent participation, identify methods to increase participation and establish options to incentivize attempts to attain higher ratings which lead to decreased insurance premiums.

FEMA Response 2A: FEMA concurs with this recommendation and has already completed a review of the CRS as suggested by the recommendation. FEMA completed a strategic planning effort from 2008 through 2013 that included conducting a systematic analysis of community participation. Representatives from local, state and Federal government, academia, insurance industry and the private nonprofit sector participated in this study and reform effort. Eleven technical committees were convened, five academic studies were completed, and 34 webinars were conducted involving 1,000 participants. Forty-five written comments were received about the program and countless informal exchanges occurred in the effort to gather as much input as possible toward improving the CRS. As a result of A Strategic Plan for the Community Rating System 2008-2013, numerous technical and operational improvements were made to the CRS. These improvements included addressing obstacles to participation, creating new methods to increase participation and creating improving incentives to assist communities to advance in CRS Class. The CRS application process was simplified and shortened by increasing the level of technical assistance available to communities when applying. A more prominent online presence was created to support CRS in addressing the needs of individuals inquiring about the CRS for the first time, as well as those of seasoned veteran CRS Coordinators from CRS participating communities. Increased support has been given by FEMA to 30 CRS user groups nationwide, with new groups formed in each of the past several years.

NAC Recommendation 2B: FEMA's FIMA consider an outreach or public engagement strategy that targets realtors, building associations, bankers, chambers of commerce and other impacted industries and organizations with a direct and vested interest in strong and resilient communities.

FEMA Response 2B: FEMA concurs with this recommendation. In addition to supporting long standing partnerships with floodplain management organizations, new initiatives have been conducted or established to build integration with groups new to the CRS. These include insurance industry entities, insurance agent organizations, the Institute for Business and Home Safety (IBHS), the International City/County Management Association, hazard mitigation planning organizations, dam safety officials, climate change organizations, and others.

FEMA has also increased its CRS training venues. Specifically, a schedule of monthly CRS training webinars was launched in January, 2014. Many of these webinars are recorded and available to be viewed during a time suitable to the viewer. In addition to webinars, FEMA has supported an ongoing schedule of intensive four-day CRS classes at FEMA's Emergency Management Institute in Emmitsburg, Maryland. Field-deployed versions of this class are also being conducted. Seven four-day classes are scheduled for 2014 that will be able to accommodate over 200 students in these classroom environments.

One of the most successful opportunities to drive communities to improve floodplain management programs and advance in CRS Class involves the role of the growing popularity of CRS User Groups. CRS User Groups are developed and organized by community CRS coordinators. They host training sessions, trade techniques for success and spark professional competition and pride as they witness seeing communities advance in CRS Class. FEMA has supported the growth of these groups, which appears to be a successful strategy. As of January 2014, there are 30 user groups in place with a mailing list of 500 participants. Since 2007, there has been an average of 87 CRS communities advancing in CRS Class each year. An average of 29 CRS communities have advanced to CRS Class 6 or better, a remarkable achievement for these communities and a tremendous indicator of increased resiliency for these forward looking communities.

NAC Recommendation 3: The NAC recommends that FEMA immediately conduct a comprehensive and aggressive public information campaign which clarifies the issue (of BW-12 Implementation) and requirements and provides impacted citizens with the information they need to take the actions needed to protect their interest and make future decisions. Priority attention should be placed on two impacted audiences: those already in Flood Zone A or V and who may not be aware of the increased rate; and those who are subject to mandatory flood insurance requirements because new maps have identified their properties are in a Special Flood Hazard Area.

FEMA Response 3: FEMA concurs with this recommendation. FEMA has undertaken a broad strategy to educate consumers, stakeholders, elected officials and the media. Because of the multiple audiences and multiple channels through which policyholders receive information, FEMA launched a comprehensive and aggressive strategy to educate lenders, realtors, insurance agents, local officials, elected officials and the news media. FEMA has worked closely with partners in the insurance industry, including Write-Your-Own (WYO) companies and others, to ensure agents have the tools needed to have important discussions. In many, if not most, cases, an individual's insurance agent is their only link with the NFIP and it is critical that agents are fully educated on the changes and impacts of BW-12. FEMA has also worked through our agent training programs, our WYO partners, industry associations and directly to agents via in-person conferences and distance

learning to ensure our partner agents have the information and tools they need to properly communicate with policyholders.

Specific actions FEMA has taken with our partners include:

- Developing materials that each policyholder will get in their annual insurance renewal information package describing the rate changes and encouraging them to talk more with their insurance agents;
- Developing a new suite of materials designed for agents to have the BW-12 conversation when appropriate with their customers and a specialized toolkit with input from former agents on the tools needed to talk with customers;
- Training more than 8,000 agents and 16,800 total insurance professionals (lenders, adjusters, realtors and others) on BW-12 changes;
- Developing a series of training videos for agents specifically on BW-12 which are available online;
- Holding conference calls and webinar training for staffs of more than 40 state insurance commissioners;
- Conducting in-person briefings for the National Association of Realtors at the national and state levels and plan to conduct more training with them in the future;
- Dedicating most of the educational portions of annual Flood Insurance Conference to the implementation of Section 205 of BW-12;
- Working with the Association of State Floodplain Managers (ASFPM) to reach out to local officials to educate them on BW-12;
- Meeting with nearly 1,000 floodplain managers at the ASFPM National Conference this year and providing tools and resources to communicate changes to their communities. FEMA is also developing a suite of BW-12 materials specifically for use by local officials;
- Meeting with disaster survivors in Colorado, Sandy-affected areas in the Northeast and Isaac-affected areas on the Gulf Coast to ensure that as they rebuild, they have the information they need to make the best rebuilding decisions for them; and
- Conducting scores of in-person briefings and webinars through our headquarters and regional offices to inform the public about Section 205 changes.

NAC Recommendation 4A: FEMA's FIMA look for ways to minimize the impact of the steep increases that may be faced by homeowners and businesses, particularly those in Flood Zones A and V, and communicate these methods to the stakeholders.

FEMA Response 4A: FEMA concurs with this recommendation. FEMA continues to promote mitigation efforts through the activities of the CRS and mitigation grants programs, as well as by retrofitting older structures where possible so that the risk is reduced, with a corresponding reduction in flood insurance premiums. In addition to the affordability study required by BW-12, FEMA also voluntarily undertook a study with the National Academy of Sciences to evaluate the assumptions and methods used for the rating of high risk structures.

On March 21, 2014, President Obama signed the Homeowner Flood Insurance Affordability Act of 2014 (HFIAA) into law. HFIAA rolled back certain requirements of BW-12 to move immediately to full risk rates for some subsidized policyholders and to charge rates that reflect the current risk of flood after flood maps are revised or updated. Also, under HFIAA, FEMA is given 18 months to complete the affordability study and is given an additional 18 months to provide an affordability

framework to congress. However, it should be noted that HFIAA continues phasing out certain subsidies. Without further congressional action FEMA will have limited tools to address high premiums that will eventually come to bear for those policyholders with the highest flood risk.

NAC Recommendation 4B: FEMA's FIMA identify the secondary and tertiary impacts of the implementation of the BW-12 on the whole community, not just the property owners, and develop solutions to mitigate these multi-layered consequences.

FEMA Response 4B: FEMA concurs with this recommendation. BW-12 and HFIAA require FEMA to engage the National Academy of Science to conduct a study of the participation in the NFIP and the affordability of the program. The study will examine the impact to individuals, communities, and the nation as a whole. Upon completion of the study, FEMA is required by HFIAA to develop an affordability framework. However the authority to implement the framework will likely require statutory changes.

NATIONAL PREPAREDNESS DIRECTORATE

The Review and Revision of the National Incident Management System

NAC Recommendation 1: The National Incident Management System (NIMS) represents a core set of doctrines, concepts, principles, terminology and organizational processes that enable effective, efficient and collaborative incident management. To expect a vast majority of individuals to read and understand the complexities of NIMS is unreasonable. In its current form, the NIMS document does not clearly define its stakeholders, lacking an explanation and incorporation of the role of nongovernmental organizations (NGOs) and the private sector in emergency management. As such, the NAC recommends that FEMA clearly define the intended NIMS audience(s)—relevant stakeholders—in drafting the revised NIMS document, specifically that the audience should include all levels of government, NGOs and the private sector.

FEMA Response 1: FEMA concurs with the recommendation. Clearly defining the intended audience for NIMS is a critical component to the revision process and to its readability. The current document is incident response centric and does not adequately address all five mission areas or management activities outside of incident response. A primary goal of the NIMS revision is to expand the applicability and use of NIMS to disciplines outside of traditional emergency management. In accordance with Presidential Policy Directive-8 (PPD -8), the revised NIMS will focus on a whole community approach to emergency management and provide guidance about incorporating non-traditional partners in all stages of the emergency management cycle. The NIMS implementation team has reached out to whole community partners, including stakeholders in the private sector, academia, NGOs and faith-based organizations to gain feedback regarding how their important contributions to emergency management can be better highlighted and incorporated into NIMS.

NAC Recommendation 2: For NIMS to be relevant to stakeholders, NIMS must be compatible, not in conflict, with the doctrines, concepts, principles, terminology, and organizational processes of other agencies and groups. The NAC recommends that the National Integration Center (NIC), during the review and revision process, should ensure that NIMS integrates effectively with the Hospital Incident Command System, the National Contingency Plan and the Department of Defense's Support of Civil Authorities mission, and other response systems that are employed during response and recovery activities.

FEMA Response 2: FEMA concurs with this recommendation. The revised NIMS will continue to focus on a flexible approach to emergency management and ensure that the guidance is applicable and implementable across diverse systems. Further, as the NIMS expands into additional mission areas, the revised NIMS will remain applicable not only to response and recovery activities, but also to protection, prevention and mitigation activities. The NIMS revision will align to the concepts, principles, terminology and processes as required and defined by national policies, including PPD-8, the National Preparedness System, the National Planning System, the Frameworks and other important whole-of-nation and all-hazards planning guides. While the NIMS document does not specifically address integration with individual systems, due diligence will be taken to minimize any potential conflicts and impacts on systems that are dependent on NIMS.

NAC Recommendation 3: Governmental stakeholders have a mandate to be NIMS compliant [see Recommendation 4], but there lacks a similar motivation for the private sector and nongovernmental organizations. The NAC recommends that FEMA develop an aggressive rollout of the revised NIMS document and that the NIC develop targeted promulgation strategies early on in the revision process, rather than at its conclusion. The rollout should include the development of incentives and the distribution of partner guides. The incentives should motivate stakeholders to readily adopt NIMS and to utilize the NIMS document. The promulgation of Partner Guides for NIMS will provide a targeted index to information in the NIMS document that is specifically pertinent to each stakeholder group. The use of partner guides was done effectively during the rollout of the National Response Framework

FEMA Response 3: FEMA concurs with the recommendation. The NIC is currently in the process of developing a rollout plan for the revised NIMS document, modeled on the outreach process used for the National Planning Frameworks rollout, which targeted the whole community and was national in scope. The rollout plan is slated for completion in March 2014 and will be shared with the NAC to gain their input and recommendations. The NIMS rollout plan will utilize webinars to highlight changes to the document, review key information, outline how the document is organized and describe why the revised NIMS is relevant and applicable to the whole community. Through coordination with the NAC, FEMA External Affairs and other stakeholder engagement groups, the NIMS Update team hopes to reach a wide variety of whole community stakeholders, with an emphasis on non-traditional NIMS users. The NIMS revision will be complemented by a revised website and multiple resources and guidance tools, including Fact Sheets, a Frequently Asked Questions document and other reference materials.

NAC Recommendation 4: The term “NIMS Compliant” and the need for “NIMS Compliance” must be better defined and measurable. The NAC recommends that the NIC incorporate specific NIMS compliance metrics for Federal departments, state, local, tribal and territorial governments into the revised NIMS document to ensure consistent application by Federal departments.

FEMA Response 4: FEMA concurs with the recommendation. The NIC will assess how to better define and measure NIMS compliance, including whether “compliance” is the appropriate term. NIMS compliance is not required by law and the NIC does not have the authority to compel adherence. Our best advocates for NIMS compliance are the first responders who implement NIMS operationally, and as well as state and local emergency managers who rely on NIMS concepts and practices as core components of their emergency planning processes. Agencies and departments receiving preparedness funds that originate at the Federal level or receiving direct benefit from Federal preparedness funds are required to be “NIMS Compliant.” The NIC will coordinate with FEMA’s Grants Program Directorate to make sure that “compliance” is better defined.

NAC Recommendation 5: The current NIMS review and revision cycle is two years. In order to effectively engage stakeholders, a review and revision cycle of longer than two years is necessary. Revisions to NIMS should not be based on a specific timetable; rather, those updates should be conducted within a timeframe that supports stakeholder engagement and without compression that creates an unrealistic and unachievable expectation for review and revision. Likewise, the timeframe for review and revision must be frequent enough to ensure the ongoing relevancy of NIMS. Therefore, the NAC recommends that the two-year review and revision cycle be re-examined to determine if it is realistic and appropriate.

FEMA Response 5: FEMA concurs with this recommendation. The NIMS document has not been revised since 2008 and has not followed the two-year update cycle. A revised timeline should be based on more concrete and actionable catalysts, including new policies and legislative requirements, the time periods required for adequate stakeholder engagement and lessons learned based on real world events and exercises. Additionally, comprehensive planning guides and other materials will be developed to provide timely, specific instructions regarding specific components of NIMS. That material can be updated on an as needed basis without the need to revise the core NIMS document.