

## Flood Insurance Rates Skyrocket for Some as NFIP Subsidies Evaporate

The Biggert-Waters Act received bi-partisan support in Congress and was signed into law in July 2012. It aims to fix problems with the National Flood Insurance Program (NFIP), which is \$20 billion in the red. Provisions abolishing subsidies and other reduced rates have left a number of business and homeowners in a tailspin. Some will see their insurance premiums increase five-fold or more. Rates for the most flood-prone properties may climb to tens of thousands of dollars each year.

“There is a continued misunderstanding of flood risk in the U.S., and a low percentage of homeowners – less than 15 percent – have flood insurance,” said Melissa Trosclair Daigle, research associate and resiliency specialist with the Louisiana Sea Grant Law and Policy Program. “There has been a lot of taxpayer-financed rebuilding that duplicates vulnerability, and payouts from the devastating storms of the last several years have left the NFIP with a large deficit.”

While these reforms are nationwide, they are expected to impact a higher percentage of people in the northeast regions affected by Hurricane Sandy and those in coastal Louisiana. Rate subsidies were provided for properties built prior to the adoption of the first Flood Insurance Rate Map (FIRM) by a community. Biggert-Waters removes subsidies in seven categories:

1. Residential property that is not the owner's primary residence
2. Severe repetitive loss property
3. Property that suffered flood-related damages that cumulatively exceed the fair market value of the property
4. Business property
5. Property that incurred substantial damage or substantial improvement in excess of 30 percent of the property's fair market value since July 1, 2012
6. New policies, lapsed policies or policies for newly purchased properties
7. Repetitive loss properties where the homeowner refused a FEMA mitigation offer under the Hazard Mitigation Grant Program.

Premium increases for these properties will be phased in at a rate of 25 percent per year until the actuarial rates are achieved, but even this gradual slide will leave some property owners unable to afford their policies. If a property is covered by a federally backed mortgage and in a special flood hazard area, flood insurance is a requirement of the mortgage. Daigle said banks have the ability to purchase flood insurance on mortgaged properties, name the institution as the beneficiary and pass the charges onto the owners who fail to insure themselves. Homeowners without mortgages may forego insurance entirely, leaving them exposed in the event of a flood.

An additional category of properties that will be impacted is those built after a community adopted its first FIRM. Structures compliant with base flood elevation (BFE) standards in existence at the date of construction were grandfathered in to receive a reduced rate based on the original elevation, even as standards changed over the years to reflect increased risks. These reduced rates are being eliminated, too, if the property's BFE changes on a subsequent FIRM. The Act also calls for more accurate mapping reflecting 100-year and 500-year floods.

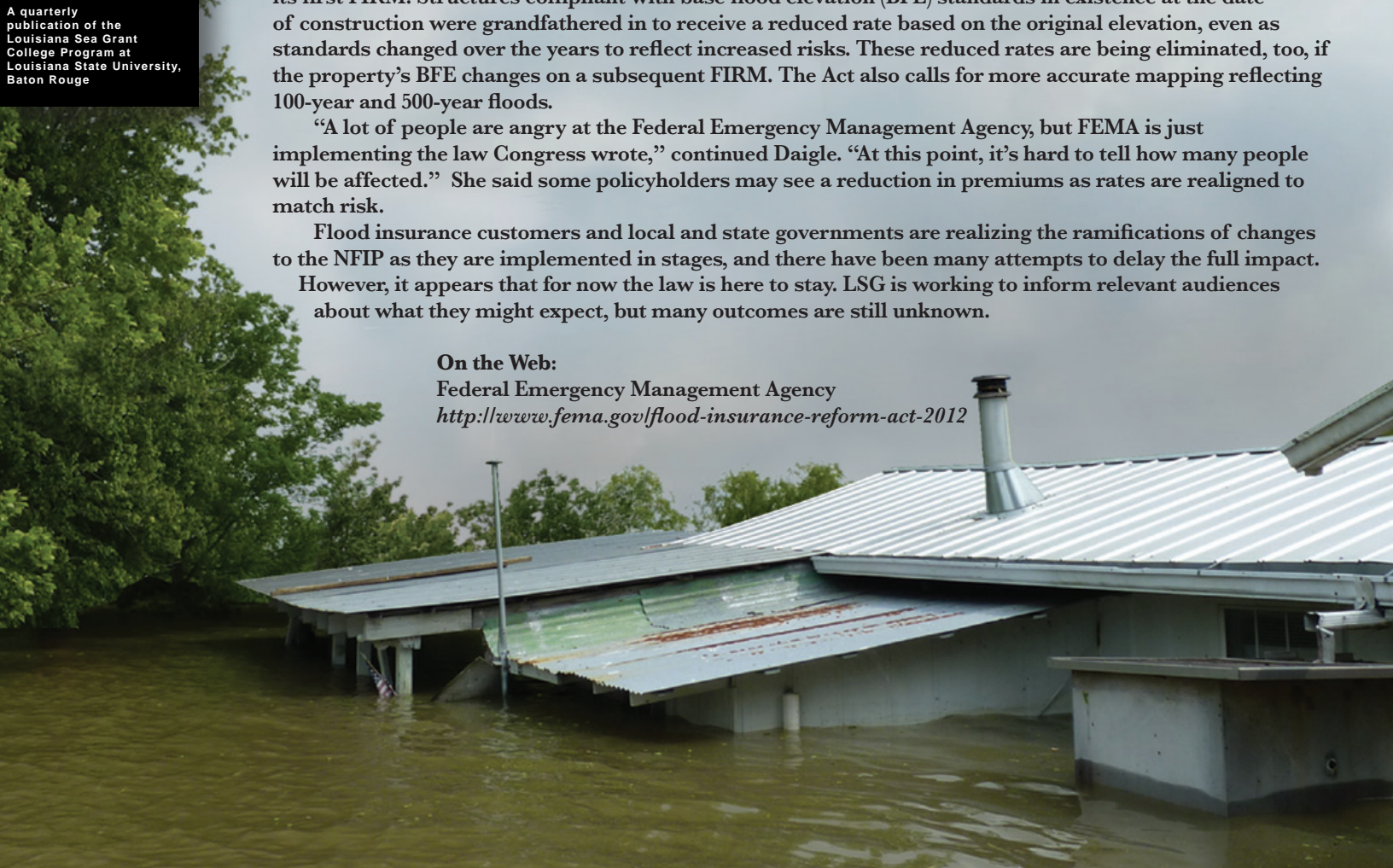
“A lot of people are angry at the Federal Emergency Management Agency, but FEMA is just implementing the law Congress wrote,” continued Daigle. “At this point, it's hard to tell how many people will be affected.” She said some policyholders may see a reduction in premiums as rates are realigned to match risk.

Flood insurance customers and local and state governments are realizing the ramifications of changes to the NFIP as they are implemented in stages, and there have been many attempts to delay the full impact.

However, it appears that for now the law is here to stay. LSG is working to inform relevant audiences about what they might expect, but many outcomes are still unknown.

### On the Web:

Federal Emergency Management Agency  
<http://www.fema.gov/flood-insurance-reform-act-2012>





## Louisiana Sea Grant Places Two Knauss Fellows for 2014

Melissa Carle and Laura Gongaware have been named finalists for the 2014 John A. Knauss Marine Policy Fellowship. They were nominated by Louisiana Sea Grant.

Carle, a Garland, Texas, native, will earn her doctorate from LSU in December in oceanography and coastal sciences with a minor in geography. She earned her Bachelor of Arts degree in sociology and environmental studies from Tulane and a master's degree from Duke University in Durham, N.C., where she concentrated on resource ecology and wetlands ecology and management.

Originally from Cheshire, Conn., Gongaware earned her Bachelor of Arts degree at the George Washington University in Washington, D.C., with a triple major in archaeology, history and classical studies. After graduating in 2006, she began work on her master's degree in underwater archaeology at Texas A&M and her law degree at Tulane University.

The Knauss Fellowship is sponsored by the National Sea Grant College Program. It allows graduate students interested in pursuing environmental careers the opportunity to gain experience working with policymakers in the legislative and executive branches of the federal government for one year. The finalists will attend an intensive week-long period of interviews in Washington, D.C., in November. Following the interviews, the finalists will be paired with an agency or congressional office for the duration of their internship, which begins in February 2014.

Carle hopes to work in the executive branch. "I would love to work with NOAA or the EPA on coastal wetland policy issues," she said. Gongaware wants a legislative placement. "I am hoping to work for a congressman or senator on the Hill," she said.



Carle



Gongaware

### Oyster Hatchery Staff Grows

Louisiana Sea Grant's oyster hatchery located on Grand Isle welcomes a new staff member.

Stephanie Grodeska is the third research associate to be housed at the oyster hatchery operations center. Her hiring completes a team of research associates aiding the work of hatchery director and LSG oyster specialist John Supan. Grodeska's responsibilities include larval production.

Grodeska graduated from Roger Williams University in 2012 with a Bachelor of Science degree in marine biology and a minor in aquaculture and aquarium science. While working toward her degree, she was a field technician monitoring shellfish restoration sites in the Narraganset Bay in Rhode Island. She also helped develop methods to test for the presence of clam larvae in sediment samples.



(ALS)  
Used commercially in Australia, the ALS supports off-bottom culture of oysters for improved growth, meat yield and to reduce labor



## Message from the Executive Director

Until recently, anyone with a question about Louisiana Sea Grant's 45 year history could wander down the hall and knock on the door of Jack Van Lopik – who served as the program's first executive director from 1968 to 2005. Jack came into the office daily after he retired, until climbing the stairs of our World War II-era building became too challenging.

Literally here since the beginning, Jack could share stories of how in the 1960s Sea Grant was something never seen before at LSU, or anywhere in higher education in the state. Louisiana Sea Grant took an interdisciplinary approach to research and problem solving, involving science and engineering as well as law and social sciences. It was something novel, to develop university research with a social impact.

Over the course of nearly a half-century, Louisiana Sea Grant has continued to innovate. We're a far cry from the early days when LSG was referred to as "fish grant." Today, we not only work with fishermen and seafood processors to build a sustainable fishery (the largest in the Gulf of Mexico), we aid small business development by creating new ideas in marketing and more efficient fishing gear technology. In addition, we aid local and state decision makers with interpreting and developing public policy from coastal restoration to community resiliency. We provide K-12 teachers with lessons on marine species and coastal stewardship, and the public on how a delta works. We respond to and assist with recovery from natural and man-made disasters, which has been our focus since 2005 in the aftermath of four hurricanes, two floods and the largest oil spill in North America. We're on the front lines of helping the public adapt today for a vision of what our coast will look like tomorrow. This will require us to expand our horizons in this period of transition to a changing climate and a dynamic coast.

As the needs of our stakeholders have changed, Louisiana Sea Grant has pioneered new courses to meet the challenges. That will remain true for our next 45 years.

Robert Twilley, Ph.D.

*Executive Director  
Louisiana Sea Grant  
College Program*



# CNREP 2013

Challenges of Natural Resource Economics & Policy



4th National Forum on  
Socioeconomic Research in Coastal Systems

New Orleans

## CNREP Focuses on Ecosystem Services

The Center for Natural Resource Economics & Policy (CNREP) held its fourth national conference in New Orleans during the spring. The Louisiana Sea Grant-supported forum has become the primary venue for coastal socioeconomic research in the Gulf of Mexico region, and participation has tripled since the inaugural meeting in 2004. The 2013 conference featured 120 technical presentations from 205 attendees representing 17 states and seven countries.

"This year's meeting focused heavily on valuation of ecosystem services," said Rex Caffey, CNREP director and a resource economist with LSG and the LSU AgCenter. According to Caffey, "Future funding and support for environmental restoration programs requires the assessment of both market and non-market benefits."

CNREP is a network of social scientists engaged in research and extension programs that contribute to the management and sustainability of natural resources. Projects are maintained in a variety of areas related to energy, coastal and inland wetlands, fisheries, forests, wildlife, and land and water resources.

For more about CNREP, visit [www.cnrep.lsu.edu](http://www.cnrep.lsu.edu).

## Moving Wetland Owners to Act for the Public Good

What motivates landowners to protect and to refurbish wetlands? That is the question posed by Walter Keithly, an associate professor in agricultural economics/agribusiness at LSU, in a Louisiana Sea Grant-supported research project titled “Private Market Alternatives for Maintaining Wetland Viability in Coastal Louisiana: A Double-hurdle Approach.” The answers may provide a key to saving the state’s degraded coast because 75 to 80 percent of Louisiana’s coastal wetlands are privately held.

“In general, we know that wetlands are highly valuable to society,” Keithly explained. “The values range from hurricane protection to nurseries for fish and other species and so forth. Most of these values are not captured by the individual landowners; they accrue to society as a whole. As it stands, there is little incentive to maintain properties in a manner that preserves the benefits they generate for society. However, some revenue does accrue to the landowner. It’s these private benefits we want to look to and match with the landowners.”

Keithly and co-investigator Richard Kazmierczak, also a professor in agricultural economics at LSU, are sending surveys querying landowners about the characteristics of their property such as road accessibility and whether it is in a freshwater, saltwater or brackish environment. They are also inquiring about uses of the property for profitable activities such as duck hunting and alligator egg collecting. Researchers will overlay this information on a GIS system to further identify the wetland characteristics of the property, such as the health of the marsh.

Researchers will examine how revenues vary by wetland type. Keithly said he expects to find that freshwater properties generate higher revenues and that the condition of the marsh will affect the value. Once researchers establish the private values associated with different types of characteristics, they will develop a suite of possible incentive programs to induce landowners to preserve their properties. Keithly said there are a number of different federal and state cooperative programs that can be used to help motivate landowners. He cited as an example a nutria program funded by the U.S. Department of Agriculture that pays landowners to reduce populations of the pesky rodents on private properties to avoid eat outs that exacerbate coastal erosion.

## VBS Label Expands to Black Drum



Douglas Olander of Big D Seafood.

Vermilion Bay Sweet isn’t just shrimp anymore. The label will soon include black drum.

“For this demonstration project, the drum is packaged for supermarket and grocery store sales, where the consumer could make dishes like fish fingers or fish tacos at home,” said Louisiana Sea Grant and LSU AgCenter Extension agent Thomas Hymel. “Right now, most black drum is consumed in white tablecloth eateries.”

When it comes to black drum, smaller is preferred. Fish three to six pounds typically command a dockside price of about \$1.60 per pound and end up in restaurants. Fish processed as Vermilion

Bay Sweet – in the 10 to 15 pound category – only bring about 70 cents per pound dockside.

Hymel is helping Big D Seafood, located about 15 miles from New Iberia, squeeze more value out of this larger local fish by turning it into a premium fillet product that will sell for \$10 to \$12 per pound in the freezer aisle. Black drum is a firm fish, nearly identical to red fish in texture and taste.

“We’re looking at the upper end of the market with the drum,” said Hymel. “We’ve run some consumer taste tests and the response was overwhelmingly positive.”



## Louisiana Shrimpers Take Advantage of TAA

Louisiana shrimpers received more than \$18 million in direct financial assistance over the past three years through the federal Trade Assistance Adjustment (TAA) program.

TAA began as a way to help farmers combat falling market prices for their products as a result of increased foreign imports. It was later expanded to include aquaculturists and commercial fishermen. Since 2010, more than 2,170 Louisiana shrimpers applied for the program, which provided up to \$12,000 per person in cash benefits.

In order to receive TAA funding, applicants were required to complete an initial orientation, followed by 12 hours of intensive technical training and to then produce an initial business plan. If an applicant completed the first three steps, he or she was eligible to receive up to \$4,000. To earn the remaining \$8,000, shrimpers were required to develop a long-term business plan that would help assure the viability of their business.

“The training was focused on helping shrimpers become more competitive in a global market by increasing their efficiency, technical and marketing skills, and knowledge of the best practices for quality assurance,” said Rex Caffey, Louisiana Sea Grant and LSU AgCenter marine Extension leader. Caffey and other LSG Extension agents helped develop and coordinate the TAA classes. “We held more than 125 meetings over a two- year period,” Caffey said.

LSG personnel were able to present the training to the state’s entire shrimping community either in person or online. “We were able to cross language barriers and present many meetings in Vietnamese to cater to our population of Vietnamese fishermen,” noted Thu Bui, LSG and AgCenter marine Extension agent for St. Mary, Iberia and Vermilion parishes.

“We are seeing fishermen implement things that they learned in the training,” added Bui. “The program has made an impact to the way they do business and provided them with the tools to make important decisions to advance their business.”

“The interesting thing is that there’ve been some spinoffs. We’ve continued to do technical assistance similar to the TAA program through the Louisiana Direct seafood marketing program and the Louisiana Seafood Academy,” said Caffey.

In all, more than 4,600 shrimpers from the five Gulf of Mexico states applied for the program. Louisiana made up nearly half of the total number of applicants. Almost all of those who participated completed the necessary steps to receive full benefits.



The holidays are coming. Give someone on your shopping list one of these fun and educational publications from Louisiana Sea Grant.

*Oh No! Hannah's Swamp is Changing* was created for children in grades 3-5 and features 30 full-color illustrations. The storybook emphasizes the importance of the swamp ecosystem, the food chain, and the need to control invasive species as seen through the eyes of a heron named Hannah. \$10, plus \$2 P&H.

The 80-page *Louisiana Breeding Bird Atlas* shows the breeding distribution of every species that nests in the state. The book includes a collection of 163 maps, as well as color photographs of each bird and a description of its habitat. \$15, plus \$2 P&H.

*A Fisherman's Guide to Common Coastal Fishes of Louisiana and Adjacent Offshore Waters* is an illustrated guide to popular recreational marine species. The 60-page book – printed on water-resistant paper – includes color photographs and descriptions of each fish. \$18, plus \$2 P&H.

To order, contact Jessica Schexnayder at [jsche15@lsu.edu](mailto:jsche15@lsu.edu), (225) 578-6448 or

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# Coastal Clips

## Twilley Named CERF President-Elect

Robert Twilley, executive director of the Louisiana Sea Grant College Program at LSU, has been selected as president-elect of the Coastal and Estuarine Research Federation (CERF). He will take office following the CERF 2013 conference, scheduled for Nov. 8 in San Diego.

CERF advances understanding and wise stewardship of estuarine and coastal ecosystems worldwide. Its mission is to:

- Promote research in estuarine and coastal ecosystems
- Support education of scientists, decision makers and the public
- Facilitate communication among these groups

Membership in the CERF is open to all who support these goals. The Federation currently has approximately 1,650 members, and approximately 1,000 more who are members of the Affiliate Societies.

CERF addresses the purposes listed above by convening conferences in odd-numbered years, through the more frequent meetings of its Affiliate Societies in their regions and through regular publication of the scholarly journal *Estuaries and Coasts*. In addition, CERF serves as a source of advice on estuarine and coastal matters by responding to requests for information from legislative and management organizations.

