

Wetlandsbank™, Inc.
A Florida Wetlandsbank Affiliated Company

Testimony Before
Subcommittee on Water Resources and Environment
Committee on Transportation and Infrastructure
House of Representatives

By



Lew Lautin
Chief Executive Officer and Partner
Wetlandsbank™, Inc.

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Chairman Boehlert and Members of the Subcommittee,

Thank you for inviting me back to testify on "Wetlands Protection and Mitigation Banking."
My name is Lew Lautin and I am Chief Executive Officer of Florida Wetlandsbank and
Wetlandsbank, Inc., entrepreneurial mitigation banking companies.

Florida Wetlandsbank launched its pioneering efforts to correct the past failures of
postage-stamp mitigation in 1991. In 1994, we become the first entrepreneurial mitigation bank
in U.S. history to transfer credits in a Corps permitted 350-acre bank in the City of Pembroke
Pines, Florida.

The site was a non-functioning wetland, dominated by melaleuca trees, an invasive, non-native
tree that threatens the water supply of South Florida. Though qualifying as jurisdictional
wetlands, the site had been ditched and farmed for years and then abandoned to become littered
with trash, devoid of significant habitat or water purification values and with no flood storage
capacity.

On March 7, 1995, when I first testified before this Committee, we had just started constructing our site. Chairman Boehlert asked this important question "I like the idea of mitigation banking. I am just wondering how we can respond to the purists who say, 'It's not for real. It sounds good. The intentions are great. It looks good on paper, but in practice it really doesn't work like a natural wetland would?'"

In the thirty-three months since that question was asked, our experience with Florida Wetlandsbank has scientifically proven that when properly permitted and constructed, mitigation banking offers a successful alternative to on-site mitigation ~ and clearly addresses ecological, biological and public policy concerns.

As of December 1, 1997, our Pembroke Pines mitigation bank has completely restored almost 350 acres to fully functioning wetlands that have been monitored and approved by federal, state and local regulatory agencies. In my written report, you will find information that supports this success through the elimination of exotic plants, the reestablishment of hydrology and the planting and growth of a variety of plants and trees that now thrive at the site and provide critical habitat for diverse wildlife species that now make their home in this mitigation bank within a mile of the historic Florida Everglades.

We recently entered into a partnership with Barron Collier companies, one of the largest landowners in the State of Florida, to create the Panther Island Mitigation Bank, a 2,775-acre mitigation bank contiguous to the National Audubon Society's Corkscrew Sanctuary. In addition to this and the other mitigation banks that we are planning in Florida, we have also opened up an office north of Seattle and have begun taking the necessary steps to develop entrepreneurial wetland mitigation banks in the States of Washington, Oregon and California.

As mitigation bankers, we are not asking for a change in Federal sequencing requirements. For every potential site, we ask that regulators continue to look at avoidance first, minimization second, and mitigation third. When regulators allow dredge and fill activities and mitigation is required, then we believe that a fully permitted mitigation bank may be a favored option to on-site mitigation. When circumstances favor mitigation banking, it has proven to be a viable and successful alternative that ensures a true no net loss of wetland functional values.

Degraded wetlands, many formerly farmed or grazed, that are now in or near high growth areas offer challenging and exciting opportunities to create mitigation banks. These banks can properly restore and protect significant ecological preserves in a way that can be dramatically superior to the old postage stamp mitigation.

The November 1995 Federal Guidance on Mitigation Banking adopted by the Army Corps of Engineers, EPA and other involved federal agencies is a wellcrafted document that contains a number of safeguards to ensure that wetlands restored or enhanced through a permitted mitigation bank will be properly located and constructed and will be valuable and thriving in perpetuity. Examples of these safeguards include limiting the amount of pre-sales of credits, financial assurances for all construction and strong financial and legal requirements ensuring the long-term maintenance of the bank at no cost to the public.

I would also like to briefly mention our support for the Bond amendment to the pending ISTEA legislation that would accomplish three significant benefits. First, it would encourage and boost the emerging mitigation banking industry nationwide. Second, based on information we received from the Ohio, Illinois and Florida Departments of Transportation, use of mitigation banks, where

available, for road projects under the federal highway program will allow DOT's to realize significant savings compared to traditional DOT mitigation solutions and expenses. Third, given the amount of DOT mitigation that could be generated in mitigation banks, these transportation projects could create positive environmental impacts and long-term benefits through regional restoration projects.

As I did in 1995, I renew my invitation that Committee members visit our mitigation bank in South Florida and find a thriving replication of the Everglades in place of the non-functioning wetlands that existed a few short years ago. If not Florida, visit sites completed by the Ohio Wetlands Foundation; or one of John Ryan's sites outside of Chicago, or any of the other successful mitigation banks throughout the country.

Private mitigation bankers, with their own capital and with true American entrepreneurial spirit, have not only created a new industry, but through hard work and diligence and with government encouragement can provide successful mitigation projects of significant long-term ecological benefit. Mr. Chairman, the answer to your 1995 question is that it does work and we are for real!

Thank you for your time today, and I will be happy to answer any questions.