

Chairman Duncan, Ranking Member DeFazio, and Members of the Subcommittee, first I would like to express NAIOP's sympathy to the victims and families of last weeks terrible atrocity in New York and here in Washington. America has great resolve and that is evident with the reopening of the stock market on Monday and Congress getting back to America's business today.

I greatly appreciate the opportunity to present NAIOP's views in support of this important legislation. It is an honor to be a part of this discussion.

My name is Mike Rolband. I am a member of the National Association of Industrial and Office Properties and President of Wetlands Studies and Solutions, Inc. of Chantilly, Virginia. WSSI provides assistance in all phases of land use where environmental regulations are part of the development process. We have been in business since 1991, helping land developers, school boards, highway departments, park authorities and public works agencies in wetlands permitting, delineation, wetlands creation and restoration management, and mitigation design. We have created three

wetlands banks in Northern Virginia. One is now a county park. Another is part of a Boy Scout Camp, and the third is under construction.

The concept of wetlands mitigation banking has been evolving since 1990. Throughout the country, we are seeing a variety of state approaches to mitigating the impacts on wetlands systems. Wetlands mitigation banking provides many benefits to an ecosystem. Further, it allows developers to leverage their financial resources so that the ecological benefit of wetlands enhancement and preservation is greater in total than any one individual effort. H.R. 1474 would provide legislative certainty to developers and government agencies across the nation use by helping to preserve, enhance and create wetlands ecosystems.

Across the nation many states have found that wetlands mitigation banks can provide a more cost-effective approach for the establishment of new wetlands habitats. Experience has proven that:

1. Creation of mitigation banking programs with published guidelines and methods is a positive way to ensure long-term viability and success.

2. Mitigation banking does not mean that wetlands impacts can be more readily approved for project impacts. It does not affect the 404 Permitting process as some have claimed.
3. Combining mitigation banks with regional stormwater programs can be an extremely effective element in watershed plans.
4. The cost of creating a wetlands habitat is an expensive component of development. Purchasing credits at a bank is a way to provide some certainty to overall project cost. There also is substantial evidence that banks are providing significant cost savings for highway projects, with a 50% cost savings documented on several projects.
5. Systematic monitoring data that tracks the planning, design, construction, and viability of the wetland bank is not only a priority, but extremely valuable.

NAIOP members have long supported wetlands mitigation banking.

We appreciate Congressman Walter Jones' leadership and support his introduction H.R. 1474. We offer the following comments on the legislation:

1. Long-term financial and administrative liability of the bank creating entity needs to be addressed during the charter phase.

2. It is important to provide specific objective criteria that determine reasonable assurances for success of the chartered mitigation bank.

Different types of wetlands require different criteria for success, and to that end, there is a plethora of scientific data available that can be used to determine these levels. Most importantly, they need to be based on objective measurable factors so that financial investments can be made without the risk of subjective regulatory decisions.
3. Annual reports that provide monitoring data as well as seasonal data that are associated with the hydrology, vegetation, and other wetland functions need to be conducted. If structured correctly and implemented consistently, these reports can be used to advance to state-of-the-art of mitigation design.
4. The Corps must be designated as the sole agency in charge of mitigation bank review teams and given the authority to make final decisions over other agency comments. Many critics deem the current process inefficient because of the delays and impasses caused by not having one entity clearly in charge.

There is need for this legislation. H.R. 1474 would codify the current federal guidance published in 1995. Currently, a federal guidance can be

overwritten by any federal agency that renders this tool nonexistent. More importantly, regulatory staffers who do not support banking can simply dismiss the current government support for these projects as mere "guidance." That is why parameters for wetlands mitigation banking need to be established, since laws cannot be dismissed so easily.

Mr. Chairman, Congressman DeFazio, and members of the Subcommittee, I again thank you for the opportunity to present our views on H.R. 1474. Wetlands mitigation banking is an extremely useful and creative tool to protect our fragile aquatic resources, and we encourage you to pass this bill so that those resources may be protected.

On behalf of the National Association of Industrial and Office Properties, I thank you for your time. God Bless America!