

- The Corps of Engineers and other responsible regulatory authorities should establish a research program to study mitigation sites to determine what practices achieve long-term performance for creation, enhancement, and restoration of wetlands.

- States, with the participation of appropriate federal agencies, are encouraged to prepare technical plans or initiate interagency consensus processes for setting wetland protection, acquisition, restoration, enhancement, and creation project priorities on an ecoregional (watershed) basis.

*Conclusion 5: Third-party compensation approaches (mitigation banks, in-lieu fee programs) offer some advantages over permittee-responsible mitigation.*

The committee evaluated several compensatory mitigation mechanisms and developed a taxonomy to evaluate their potential strengths and weaknesses. Mechanisms were characterized by the following five attributes: (1) on-site or off-site compensatory mitigation action; (2) responsible party; (3) timing of the mitigation actions; (4) whether the Mitigation Banking Review Team process is used; and (5) stewardship requirements. The committee does not favor any particular mechanism but has offered recommendations that will, if adopted, assure that permittee-responsible as well as third-party mitigation will secure no net loss of wetlands. In addition, the committee believes that no net loss of wetlands will require a strengthened partnership with the states.

### **Recommendations**

- The taxonomy developed by the committee is recommended as a reference point for discussions about compensatory mitigation. In practice, however, a compensatory mitigation mechanism may not fit neatly into one of the listed categories (e.g., mitigation bank versus in-lieu fee versus cash donation). Accordingly, the committee recommends that when an agency reviews mitigation options, it is most important to focus on their characteristics or attributes (e.g., who is legally responsible, the timing of the mitigation actions, whether the Mitigation Banking Review Team process is used, and whether stewardship requirements are in place).

- Institutional systems should be modified to provide third-party compensatory mitigation with all of the following attributes: timely and assured compensation for all permitted activities; watershed integration; and assurances of long-term sustainability and stewardship for restored, created, enhanced, or preserved wetlands.

- The Corps of Engineers and the Environmental Protection Agency should work with the states to expand their permitting and watershed planning programs to fill gaps in the federal wetland program.