Wetlands Mitigation Banks: Environmental Enrons

A mitigation credit bank allows developers to buy the right to fill in naturally functioning wetlands by purchasing the promise of the creation or restoration of wetlands elsewhere.

This wetlands mitigation banking scheme works like an environmental Enron, where the true losses do not become evident until it is too late. PEER contends that wetlands banking could completely circumvent protections for the remaining marshes, vernal pools and forested wetlands. Concerns about the mitigation bank include:

- The lack of an enforcement mechanism to make sure that promised mitigation is in fact done and the lack of any accountability or consequences for developers who skip out on their obligations;

- Absence of any assurance of true biological equivalence for the loss of a natural wetland; and

- Inability to address a number of legal hurdles against offering mitigation in an entirely different watershed from where the construction damage occurs.

On a national level, wetlands mitigation banking has been a dismal failure, according to a series of official reviews. Most recently, the Government Accountability Office issued a blistering report faulting the U.S. Army Corps of Engineers for its failure to oversee whether mitigation that was made a condition of permits issued to dredge or fill wetlands ever actually occurred.

Mitigation banking puts money in the pockets of middlemen playing a wetlands shell game. State regulators may be tempted to buy a supposedly painless solution to developer demands without any regard for the true, long-term costs.

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Read the Advocates for Wetlands and Watersheds letter laying out unanswered questions on mitigation banking plans for Massachusetts
http://www.peer.org/docs/ma/05_1_12_letter.pdf

See the recent GAO report "Wetlands Protection: Corps of Engineers Does Not Have an Effective Oversight Approach to Ensure That Compensatory Mitigation Is Occurring," September 8, 2005
http://www.gao.gov/htext/d05898.html