

**US Army Corps
of Engineers**
Wilmington District

A Final Report on

Improving the Mitigation Process
For
Transportation-Related Projects in North Carolina

January 2002

I. EXECUTIVE SUMMARY

In a collaborative effort, the North Carolina Department of Transportation, Department of Environment and Natural Resources, and the United States Army Corps of Engineers agreed to collectively launch a process improvement initiative based on wetland, stream, and buffer mitigation. The purpose of the initiative was to improve the current mitigation process or establish a programmatic process that provides functional replacement at the watershed for ecosystem impacts of transportation development. In a series of activities based on a six-step process improvement methodology, a team of knowledgeable participants was chosen, the existing process was thoroughly evaluated and reviewed, all issues and concerns were defined, and recommendations to improve the existing process were developed.

The issues negatively impacting the current mitigation process were identified as inadequate communication; undefined roles and responsibilities; poor synchronization and coordination among and between the process and owners; difficulties with mitigation site development, construction, and monitoring; and a lack of clearly understood mitigation-success objectives. These issues were identified as the principle causes of not meeting customer expectations and lower performance of the mitigation process. The root causes identified result from the reoccurring loops, bottlenecks, and timing problems in executing the existing mitigation (and permitting) processes. Upon the complete mitigation process evaluation and review, the process was redesigned and thirteen recommendations were presented and approved by the process sponsors.

The recommendations de-couple mitigation from the permitting process, allowing permits to be issued for unavoidable and minimized impacts without the reliance on individual project mitigation sites. The recommendations also call for the establishment of a new organization, the Ecosystem Enhancement Program (EEP). This EEP will better protect the natural resources of the state by assessing, restoring, enhancing, and preserving ecosystem functions and compensating for developmental impacts at the watershed level. The new mitigation process will potentially save agencies time and cost, while improving communication, planning, and environmental stewardship. The existing process for one mitigation project costs an estimated \$593,836.00 and requires 28,680 working hours. The redesigned process for ten NCDOT projects with five mitigation sites costs an estimated \$2,291,615.00 and requires 42,626 working hours.

The recommended implementation actions for the new service design address the interim and future needs of the program. The implementation design also addresses all the issues and concerns identified in the evaluation of the current process. When fully implemented, this program and process will be established as a role model for positive interagency relationships and will set a nationwide standard for mitigation at the ecosystem level for unavoidable and minimized impacts resulting from transportation and other development projects.

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III. Introduction and Background

A. Process Overview

The North Carolina Department of Transportation (NCDOT), Department of Environment and Natural Resources (DENR), and the U.S. Army Corps of Engineers (USACE) jointly executed a Memorandum of Agreement to conduct a collaborative Mitigation Process Improvement initiative. The means utilized to facilitate this process improvement initiative was based on a method utilizing six structured steps: committing to the need for performance improvement, scoping the selected process, analyzing the current process, designing the new process, implementing the new process, and managing the process improvement. During scoping, approximately forty interviews were conducted with individuals involved in and knowledgeable about wetland, stream, and buffer mitigation. Following scoping, a series of workshops were conducted to examine the current process, redesign the process, and develop recommendations to implement a new or improved process. The Michigan Department of Transportation (MDOT) assisted with the facilitation of the workshops. The outcomes of the workshops resulted in the design of a new programmatic process and organization (the Ecosystem Enhancement Program). The EEP and its process provide functional replacement at the watershed level for ecosystem impacts of transportation and other development. At the conclusion of the improvement process, a list of specific recommendations with tasks and action items are established to fully implement the EEP and new redesigned process. All of these recommendations and outcomes are addressed later in this report.

B. Mission

The overall mission of the Mitigation Process Improvement initiative was to develop a structured mitigation process that supports the timely delivery of North Carolina's Transportation Program while appropriately compensating for unavoidable and minimized wetland, stream, and buffer impacts. The mission was supported and agreed on by the NCDOT, DENR, and USACE Sponsors and workshop participants. In addition to the process mission there were several expectations specified by the Sponsors, which are outlined in the scoping document and Memorandum of Agreement (MOA) (see Appendix A for the MOA).

C. Membership

It was extremely important to include all appropriate agencies and individuals in the process improvement initiative. Representatives from state and federal agencies were involved. In addition to the three sponsoring agencies, participants included the U.S. Environmental Protection Agency (USEPA), U.S. Fish and Wildlife Service (USFWS), and the N.C. Wildlife Resources Commission (NCWRC). The participants provided leadership, experience, and valuable knowledge to the scoping, redesign, and implementation components of the initiative. Below are the participants that played a significant role in analyzing and developing the new mitigation process and program, including sponsors, team members, technical experts, and facilitators:

Alsmeyer, Eric - USACE	Griffin, Randy - NCDOT	Moffitt, Donna - DCM
Benton, Dempsey - DENR	Harris, Phil - NCDOT	Paugh, LeiLani - NCDOT
Brittingham, Cathy - DCM	Hennessy, John - DWQ	Russo, Chris - DENR
Bruton, Charles - NCDOT	Huggett, Doug - DCM	Sanderson, Len - NCDOT
Buncick, Marella - USFWS	Hunkins, Julie - NCDOT	Schiller, Dave - NCDOT
Cox, David - NCWRC	Jones, Charles - DCM	Schmidt-Derwae, Margo - MDOT
D'Ignazio, Janet - NCDOT	Lee, Don - NCDOT	Sheats, Roger - NCDOT
Davis, Diane - MDOT	Lund, Steve - USACE	Street, Mike - DMF
Dorney, John - DWQ	Matthews, Kathy - USEPA	Szlosberg, Nina - NCDOT
Ferrell, Ron - WRP	McGlown, Odessa - NCDOT	Thorpe, Greg - DWQ
Franklin, David - USACE	McLendon, Scott - USACE	Williams, Kelly - DCM
Gilmore, Bill - NCDOT	Meister, Ehren - NCDOT	Wright, Wayne -USACE

IV. Key Issues and Concerns

To move forward with any process improvement, it is important to fully understand the primary issues and root causes associated with the current process. The team developed a list of key issues and concerns and used them in developing the new process and associated program.

During scoping, over one hundred issues and concerns were noted for use during the redesign. These issues were divided into twelve categories and reflected general process concerns, personnel issues, and difficulties in the selection and acquisition of appropriate mitigation sites. The initial scoping information was examined and the key issues and root causes affecting the current level of effectiveness and efficiency of the existing process were identified. The key issues are:

1. Lack of synchronization, coordination, communication, and timing of mitigation with the planning/permitting process.
2. No clear definition of roles and responsibilities/lack of defined mitigation processes and customer and suppliers not educated/process participant skills not defined and recruitment of skilled people difficult (no skill requirements).
3. Difficult to identify, obtain, and improve mitigation sites.
4. Success of mitigation is not defined in terms of function restoration and impacts are over inflated such as commonly defined impacts and lack of common environmental standards for success (mitigation for mitigation sake).
5. Mitigation Science not fully developed or linked to regulatory requirements and decision making (don't use lessons learned).

The current state of meeting customer needs was also examined. Specifically, the needs, concerns, and issues of the external and internal customers of the mitigation process were identified using a customer value structure. The customer value structure is an organized approach to identifying the most critical customer needs and values within the process and rating them on how well these customer needs are being met. The customers are the eight agencies that participated in the improvement process. The customer needs and values were used to evaluate the effectiveness and efficiency of the existing mitigation process and as criteria for developing the proposed process.

The top customer needs identified by the participating customers are:

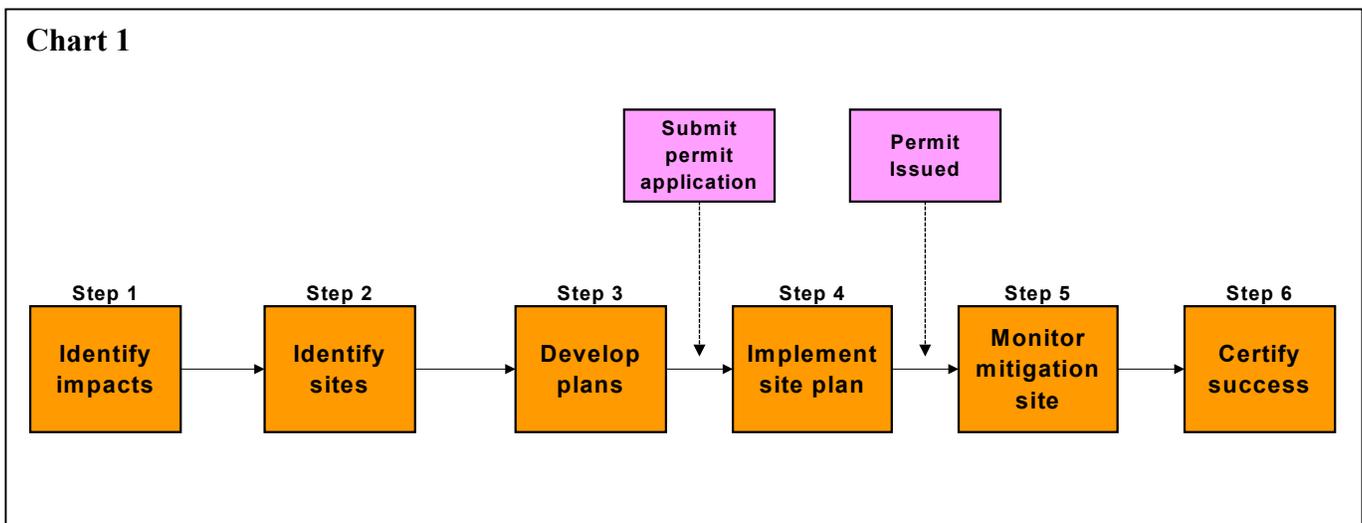
- Mitigation in place prior to impacts occurring
- Replacement of lost functions
- Specific, attainable, measurable results
- Successful mitigation
- Accountability
- Consistent and predictable process
- Flexible mitigation
- Mitigation with highest watershed benefits – ecological rather than site based (biggest “bang for the buck”)

V. Findings

This phase includes developing the complete existing process map, identifying the key issues, and establishing problem statements. Many of the statements and issues can be linked to the existing process map.

A. Existing Process Map

The entire process was identified and labeled step-by-step to recognize where any potential bottlenecks or reoccurring loops may arise. Most importantly, this enabled the team to come to a consensus of what the steps in the existing process actually are and how each of the process participants is involved in the process. The detailed process map defines the critical steps in the process and the entities that are involved in each particular step. The high level steps of the existing mitigation process are shown in Chart 1 below.



Note: See Appendix C for the detailed existing process map

B. Key Issues

After identifying the process, key issues were recognized during the workshops to reflect the major concerns. The mapped process was then analyzed to identify issues

in flow, timing, and synchronization with associated and higher level processes. Voting identified the key issues. The statements below are listed in order of vote outcome, with the highest number of votes at the top of the list.

1. Lack of functional replacement
2. Mitigation process not done early enough and plans are approved too late
3. Lack of understanding of needs of the watershed
4. DOT mitigation is project focused as opposed to program focused
5. Lack of commitment and ownership to mitigation agencies
6. Lack of standard success criteria for mitigation
7. Lack of consistency in guidance from agencies to NCDOT for mitigation
8. Lack of final analysis of success site relative to project goals

C. Problem Statements

A root cause analysis of the developed key issue list was performed. The outcome is a statement of the problem with reasons for performance discrepancies. They define the problem area followed with a reason of support. They are important because they identify the crucial areas that are creating dissatisfaction, which is the focus during the redesign of the process. Many of the statements can be linked to the current process.

1. The problem is that wetland/stream systems are complex and not completely understood as evidenced by scientific uncertainty, difficulty in development, lack of mandate/lack of commitment, and no formal adoption of a consistent functional assessment method for North Carolina resulting in lack of functional replacement.
2. The problem is that project dollars are lost if projects are not let as evidenced by outraged board members leading to short-term needs versus long-term goals for mitigation.
3. The problem is lack of science and guidance at the time regulations are written as evidenced by lack of understanding of the needs of the watershed which results in mitigation projects focused on project impacts and failure to account for watershed losses.
4. The problem is public perception of dysfunctional infrastructures as evidenced by public pressure, political involvement, external dictation of schedules and volumes, and crisis mode, which results in mitigation is project focused rather than program focused.
5. The problem is that there is regulatory constraint on the part of the agencies in accepting ownership of mitigation plans as evidenced by lack of direction/commitment that results in an unacceptable level of risk on the part of NCDOT.
6. The problem is that there are different legislated responsibilities/mandates for different regulatory resource agencies as evidenced by a lack of standard success criteria and goals for mitigation sites which results in the perception of unsuccessful mitigation.
7. The problem is that agencies have different missions and regulatory authority as evidenced by a lack of consistency in guidance from the agencies to

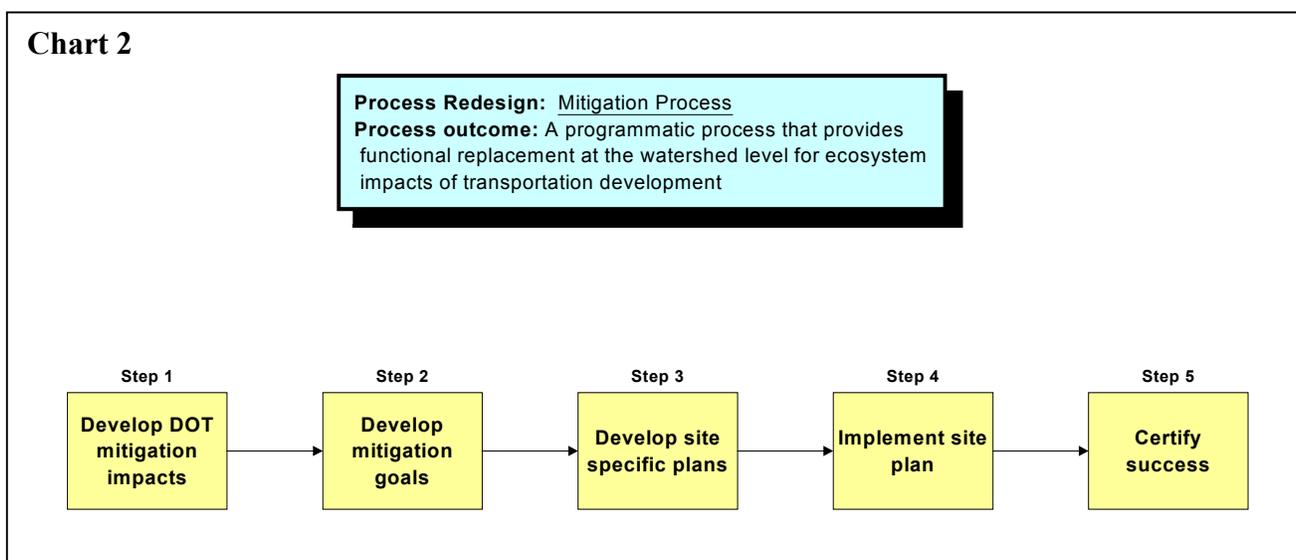
NCDOT which results in mitigation sites being structure or performance focused and not meeting the needs of individual agencies.

8. The problem is that ecological structure is easier to measure than function as evidenced by no regulatory requirement to measure function, which results in functional goals have not been met.

VI. Recommendations and Implementation

An implementation item adopted during the workshops is the development of a redesigned process or new mitigation process. The workgroup developed a new service design for the recommended EEP organization. The use of the EEP and its new mitigation process will shorten overall project time, alleviate miscommunication, ensure standardization, and provide mitigation on an ecosystem basis that has the opportunity to benefit the environment more than the current mitigation process and practices.

The detailed level steps of the redesigned mitigation process can be found in Appendix D. The high level steps are shown below in Chart 2.



A significant finding following the redesign of the process is that there is a potential to have a remarkable difference in the total process cost and process time when compared to the existing process. The existing and redesigned or processes were compared using a cost-time analysis during the mitigation workshops. Participants estimated the cost and time associated with each step, establishing an estimated total time and dollar amount for the mitigation component in the current and redesigned processes. The existing process data estimates that one mitigation project costs \$593,836.00 and lasts 28,680 working hours. The redesigned process data estimates that ten NCDOT projects with five mitigation sites will cost \$2,291,615.00 and will last 42,626 working hours (See Table 1). Based on this data, one can speculate that there will be significant savings in cost and an overall reduction in time.

Table 1	Current Process	Redesigned Process
Estimated Cost	\$593,836.00	\$2,291,615.00
Estimated Time	28,680 hours	42,626 hours
# of Projects	1 NCDOT project with 1 mitigation site	10 NCDOT projects with 5 mitigation sites

The results of the above analyses were used to conduct problem solving and resultant recommendations for improving the efficiency and effectiveness of the mitigation process. The recommendations were developed through a team effort following brainstorming and discussion sessions surrounding the issues and needs of the organizations with respect to mitigation. The team identified thirteen significant recommendations with tasks associated with their completion. The recommendations suggested following the process documentation are as follows.

Category: Policies and Rulemaking

Action: Identify required policies and rulemaking needed to implement the Ecosystem Enhancement Program (EEP) and ensure compatibility of all applicable rules, regulations, statutes, policies, and programs.

Tasks:

1. Develop MOU for regulatory agencies and NCDOT that establishes operating procedures of EEP
2. Educate and inform legislature and appropriate boards and commissions
3. Evaluate existing rules, regulations. Statutes, policies and programs to identify and resolve areas of conflict with MOU
4. Make necessary changes to MOU and/or rules
5. Sign MOU
6. Develop detailed rules, policies, and procedures outlining the operation of the EEP to include the relationship with private and other interested parties

Category: Guidelines

Action: Establish ratios for justified preservation sites.

Tasks: None identified

Category: Functional Assessment

Action: Develop functional assessment methodology.

Tasks:

1. Develop approved list of functions to be addressed
2. Develop Functional assessment methodology standards and guidance acceptable to all agencies for use in mitigation planning which includes updated supplemental watershed need plans to address methodology regulations
3. Develop stream and wetland functional method and begin using the assessment now to evaluate impacts and mitigation.

Category: Reference Sites

Action: Establish and monitor reference sites.

Tasks:

1. Locate sites and continually review sites
2. Install monitoring equipment
 - Collect site data
 - Collect hydrology data
3. Compile data
4. Acquire sites (lease, conservation easements)
5. Report and distribute data

Note: Design and implement a “Regional Reference Data Collection Program” for wetlands and streams by June 2002.

Category: **Concurrence Point**

Action: Develop mitigation concurrence points linked to NEPA/404 Merger 01 Process.

Tasks:

1. Develop concurrence point process for NEPA/404 Merger 01 Process that provides a progressive, step-wise decision-making system that addresses compensatory mitigation requirements

Category: **Education and Outreach**

Action: Establish education and outreach methods.

Tasks:

1. Establish public involvement group to distribute information
2. Hold public/agency workshops to get “buy-in”
3. Communicate to “worker bees”, including agenda item at Interagency Meetings
4. Communicate to law makers, Governor, and local governments
5. Develop web page (EEPBay.com) and other transfer technologies

Category: **Accountability**

Action: Develop accounting mechanism so that it is legally defensible (note: EEP should consider running a positive balance to provide needed credits).

Tasks:

1. Set up and maintain accurate ledger
2. Buy-in on functional assessment method for generating credits
3. Develop “acceptable” standards of accounting
4. Attorney General’s office reviews and approves on accounting practices
5. EEP begins to sell credits when a positive balance is established (can’t sell until successful, as deemed by Technical Review Group)
6. NCDOT carries on parallel process until above is established
7. WRP finishes existing mitigation commitments

Category: **Watershed Plans**

Action: Develop watershed plans.

Tasks:

1. Review existing watershed plans for content
2. Convene agency team to determine gaps in existing plans (data)
3. Determine scale based on watershed needs
4. Modify existing plans
5. Agency review and approval

Category:

EEP Infrastructure

Action:

Develop and implement EEP infrastructure.

Tasks:

1. Develop organization plan and place in state government organization (in conjunction with upper management)
2. Develop human and financial resource plan by EEP function and process (compare salaries to existing “like” positions)
3. Develop duties, responsibilities and qualifications
4. Determine existing human resources that can be shifted

Category:

Pilot Program

Action:

Develop interim program to address project needs in an individual watershed to refine EEP process and gain agency “buy-in.”

Tasks:

1. Supplement existing watershed plan in one watershed with agency input
2. NCDOT identifies group of projects impacts in this watershed
3. Identify mitigation projects in watershed
4. Develop functional assessment methodology
5. NCDOT develop site plans with agency coordination
6. Re-assess and refine proposed process

Category:

Funding

Action:

Identify funding sources and determine fee schedule.

Tasks:

1. Develop functional assessment
2. Determine cost/functional units
3. Determine level of funding needed beyond that generated by fees
Note: Establish a “Fee Schedule” Team.

Category: **Post EEP Era**
Action: Determine human resource abilities utilizing existing agency staff and present recommendation to sponsors.
Tasks:
1. Evaluate successful mitigation program options
2. Apply to EEP

Category: **On-site mitigation**
Action: Determine need to implement on-site mitigation.
Tasks:
1. Establish an on-site mitigation team

A. Ecosystem Enhancement Program

As mentioned above, the most significant recommendation developed during the process is the establishment of the EEP. This program will initially be accountable and responsible for mitigation associated with transportation impacts and will later be expanded to manage development impacts. The EEP will have two major components: (1) the Policy Group to sponsor program reviews and establish policies and goals, and (2) the Technical Group, which will provide guidance, definition and technical review of projects, and ensure overall success. During the workshops, the team developed the core elements of the new EEP, including the mission, purpose, structure, functional components, key relationships, and core processes. All of these items are crucial in establishing a relevant, momentous, and functional program.

The purpose of the EEP is to provide a program that identifies ecosystem needs at the watershed level and preserves, enhances, and restores ecological functions through interagency participation and various funding sources including but not limited to compensatory mitigation. The major attributes of this organization are:

- It is a program
- It benefits from interagency relationships
- It uses a multi-disciplinary approach
- It identifies ecosystem needs at the watershed level
- It provides services that preserve, enhance, and restore ecological functions
- It has various funding sources, including compensatory mitigation

The mission of the EEP is to protect the natural resources of North Carolina through the assessment, restoration, enhancement, and preservation of ecosystem functions and compensation for development impacts at the watershed level. Some major attributes of the organizational mission are:

- To assess, identify, restore, enhance, protect and preserve the natural resources of North Carolina at the watershed level.
- To improve and enhance the natural resources of North Carolina through assessing and identifying areas where functional enhancement and replacement of watershed is needed and addressing them through preservation, restoration, and enhancement.

- Identify, assess, reserve, enhance, protect, and preserve the ecological functions of the natural resources of North Carolina at the watershed level.
- Restore, enhance and preserve the ecosystem functions of the watersheds throughout North Carolina.
- Conserve and replace the natural resources of North Carolina through preservation, enhancement, and restoration of ecosystems and ecological function at the watershed level.
- Assessments, Restoration, Enhancement, Replacements, Identification of impacts, and other preservation.
- Non-NC DOT
- To improve watershed functional performance through a program that assesses needs and implements multiple projects to satisfy regulatory requirements.

The EEP structure is similar to a traditional horizontally aligned organization. At the top of the structure there are components with specific functions aligned to specific core processes progressing with the unique functions (see Appendix E for the formal EEP structure). In addition to the structure, the EEP relationship map outlines the relationships and to what extent they may occur. The relationship map delineates between the regulatory agencies, associated agencies, impacting agencies, provider agencies, and the public (see Appendix G for the complete relationship map).

The core processes of the EEP are critical to the organizational activities. The process participants identified four core processes within the new program. They are watershed planning, project development, on-site mitigation, and performance auditing and accounting. Each identified core process has sub-processes, key tasks, customers, inputs, outputs, and several sub-processes have individual inputs and outputs. These process activities outline the essential elements and procedures of the EEP. The core processes are incorporated in the organizational structure and are diagrammed completely in Appendix F.

VII. Conclusion

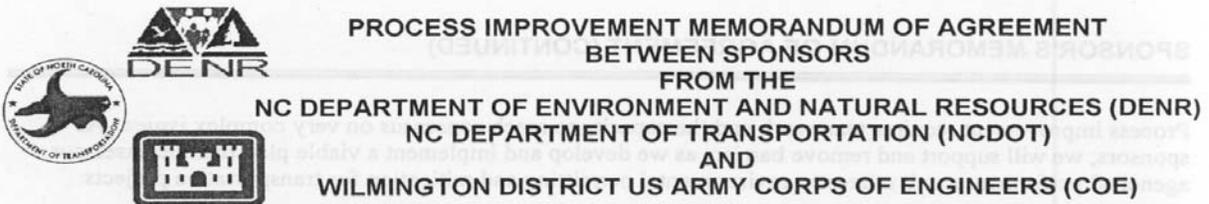
Over the past several months NCDOT, DENR, and USACE and other partnering agencies have undertaken the enormous task of evaluating and redesigning the complex mitigation process. During this collaborative process improvement initiative, the existing mitigation process was documented and the issues and concerns were defined through specific activities. The needs of our customers were fully defined. Following a detailed inventory of the existing process, a new mitigation process was designed which de-couples it from the permitting process. The new process was adopted to establish predictability and accountability, to save time and costs associated with mitigation development and delivery, to increase communication and efficiency, and to produce a better mitigation process and program. Overall, this initiative establishes a programmatic process that provides functional replacement at the watershed level for ecosystem impacts of transportation development.

One of the key components to a process improvement initiative is the recommendations that are developed from the improvement effort. There have been thirteen action items recommended for inclusion into the implementation phases. The most significant is the recommendation to establish the Ecosystem Enhancement Program. The mitigation team recommended the development of a program that will protect the natural resources of North Carolina through the assessment, restoration, enhancement, and preservation of ecosystem functions and compensation for development impacts at the watershed level. This will be the first of its kind and will establish North Carolina as the leader in wetland, stream, and buffer mitigation. The team also incorporated the term “ecosystem” into the program signifying it will function with a much larger environmental scope. The participants in the process created a purpose, mission, structure, core processes, and a relationship map to begin the implementation of the new EEP and mitigation process.

The outcome of this process improvement initiative will have lasting impacts on the activities and culture of the participating agencies. The implementation of the thirteen recommendations, including establishment of the EEP and the new mitigation process, will take hard work and dedication from NCDOT, DENR, USACE, and other participating federal and state agencies. However, by January 2003, a new mitigation program and concept will be implemented and will begin to ultimately improve the ecosystem in North Carolina.

Appendix A

Memorandum of Agreement



This memorandum of agreement is jointly executed on May 7, 2001, by the undersigned sponsors of the DENR/NCDOT/COE Permit Application Development, Coordination, and Issuance Process Improvement and Mitigation Process Improvement (see attached scoping documents) Initiatives to be conducted from May 7 through December 30, 2001.

The purpose of this memorandum is to formally state our commitment to supporting the mission and goals of the process improvement teams' efforts, state our role in those processes, and to commit to implementing the improvements developed and jointly approved by our agency sponsors.

The sponsors agree to jointly improve the way we do business and that we are intent on a long-term relationship focusing on mutual problem solving and process improvement that produce measurable results that benefit all of our agencies and the public we serve.

We are committed to supporting the teams' purpose of improving the workflow effectiveness and efficiency of DENR/NCDOT/COE permit development, coordination, and issuance process. Specifically, the goal is to improve the process of developing quality permit applications, issuing environmental permits, and mitigation that support timely delivery of transportation programs while minimizing disruption to the natural and human environment.

We agree to sponsor a joint process improvement initiative for mitigation prior to the end of calendar year 2001. This effort will use a combined team from our respective agencies and be conducted using the same or comparable methodology and level of effort as the first permit improvement initiative.

Further, we agree to review the findings of the scoping analysis and initiate agency or joint work groups to deal with issues raised that we agree are not conducive to a formal process improvement process (see attached problem statements).

We agree as sponsors to work in concert to:

- Collaborate with each other to ensure that the team's actions result in positive change to the permitting process and to ensure agency wide implementation of those changes.
- Act as champions to the team by removing barriers to progress and proactively guide the team in meeting the responsibilities we have assigned them in their scoping document.
- Lead and inspire the team with the vision of the desired state of permitting among our agencies and model behaviors needed for such change and the teamwork that goes with it.
- Measure the result of our efforts and provide the teams with feedback on how they are doing while coaching them to meet the established targets of the scoping document's issues and sponsor expectations.

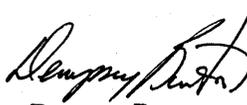
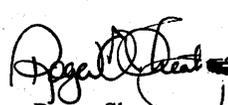
Appendix A (cont'd)

Memorandum of Agreement

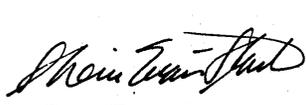
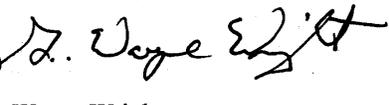
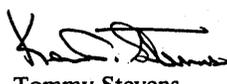
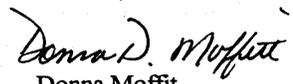
SPONSOR'S MEMORANDUM OF AGREEMENT (CONTINUED)

Process improvement requires teamwork and the capacity to reach consensus on very complex issues. As sponsors, we will support and remove barriers as we develop and implement a viable plan that increases our agencies' performance as it relates to environmental permitting and mitigation for transportation projects.

Authorizing Sponsors

 Dempsey Benton Chief Deputy DENR	 Roger Sheats Deputy Secretary NCDOT	 Colonel James DeLony Commander COE	 Len Sanderson State Highway Administrator NCDOT
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Reinforcing Sponsors

 Sherri Evans-Stanton Assistant Secretary DENR	 Janet D'Ignazio Chief Officer, Planning and the Environment NCDOT	 Wayne Wright Chief of Regulatory COE	
 Tommy Stevens Director, Division of Water Quality DENR	 Donna Moffit Director, Division of Coastal Management DENR	 Len Hill Chief Deputy - Preconstruction NCDOT	 Don Goins Chief Deputy - Operations NCDOT

Appendix B

Memorandum Addressing EEP Concept

MEMORANDUM

To: Greg Thorpe, DENR
Ron Ferrell, DENR
Charles Bruton, DOT
Bill Gilmore, DOT
David Franklin, USACE
Scott McLendon, USACE

Date: November 19, 2001

Subject: Expediting Near-Term Mitigation in Support of the Ecosystem Enhancement Mitigation Program Implementation

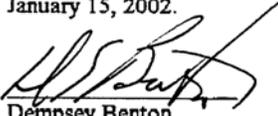
Transition to the new Ecosystem Enhancement Program is a key priority of DENR, DOT, and USACE. It is our objective to transition to the new program by December 31, 2002. In order to do that, it is essential that we minimize the effects of transition on the operational tempo of meeting project and wetland, stream, and buffer mitigation requirements.

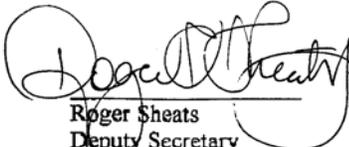
The critical element to continue operational momentum is to develop and implement a strategy to meet the compensatory mitigation requirements of current projects. For the purposes of the Work Group, current projects are those projects that are to begin construction within the next 36 months. We are chartering a Work Group of key leaders of the mitigation process to determine how these projects can be expedited using the current permit-linked mitigation process.

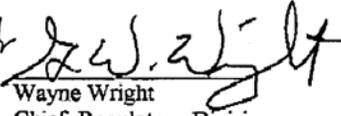
The intent of the Work Group is to determine a one time method and means of moving current projects to LET while ensuring that the environmental impacts have been avoided, minimized, and compensated through mitigation. The Work Group will determine and define what decision-making flexibility and reasonable/acceptable actions are needed to expedite movement of current projects through mitigation and permitting to LET during the upcoming transition period. DOT members will provide the work group with all pertinent information relating to current projects that are currently, or have the potential to be, in danger of delay because of mitigation requirements. The group will define the type and parameters of flexibility to expedite processing, review, and approval of mitigation plans and actions.

The Work Group will ensure that the actions decided will eliminate the need to deal with individual project schedules not meeting TIP delivery dates prior to and after implementation of the new mitigation concept. The Work Group will ensure that current laws, rules, and regulations are met for all actions decided upon.

The Working Group will present its strategy and methods for our concurrence and implementation by January 15, 2002.


Dempsey Benton
Chief Deputy Secretary
DENR

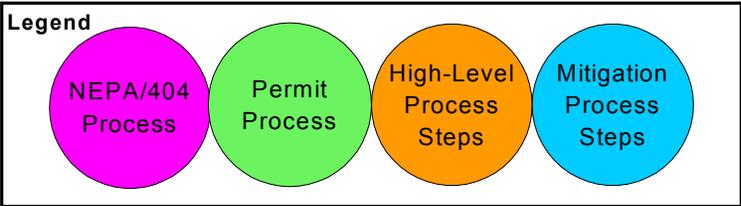
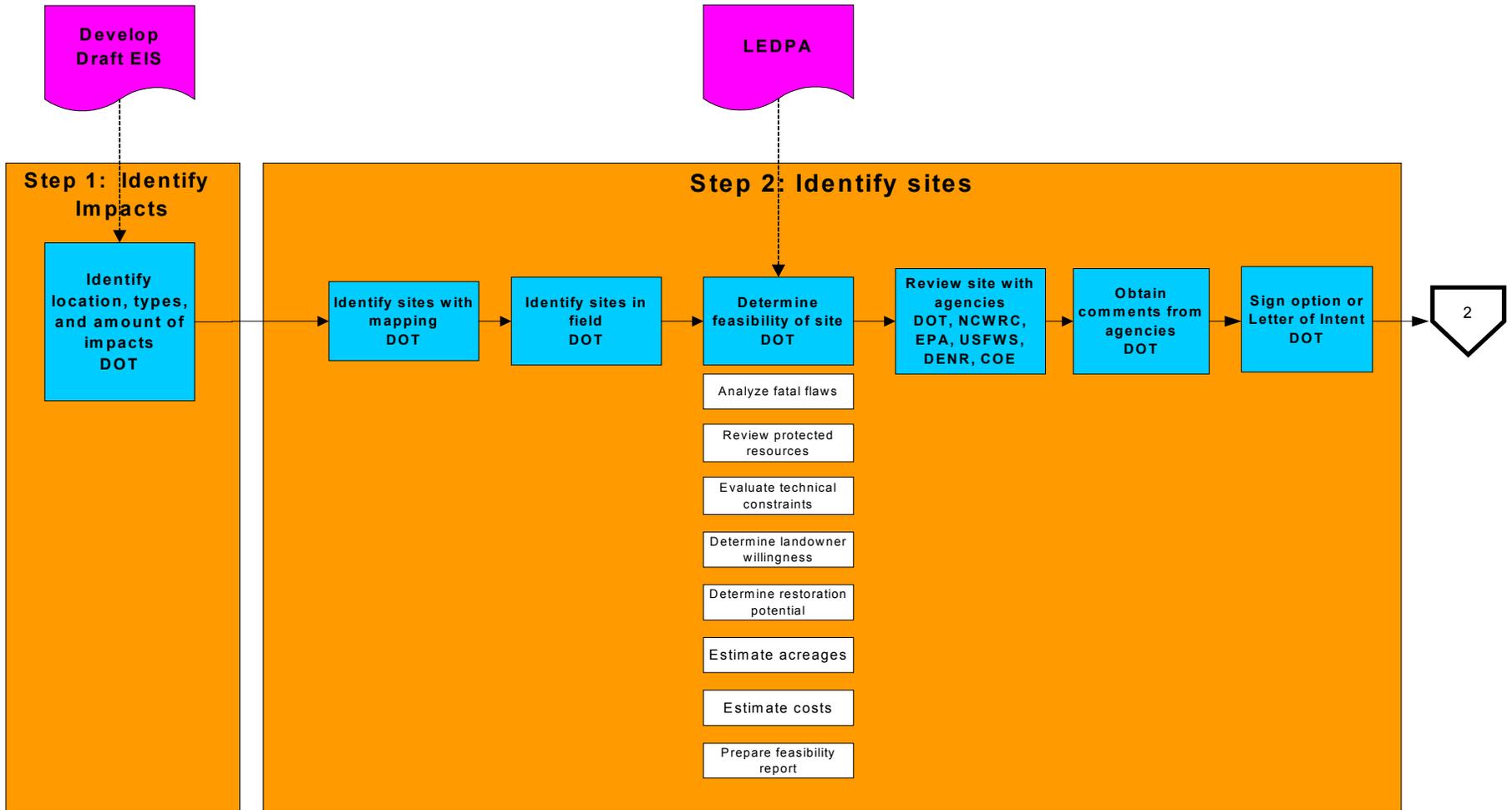

Roger Sheats
Deputy Secretary
DOT

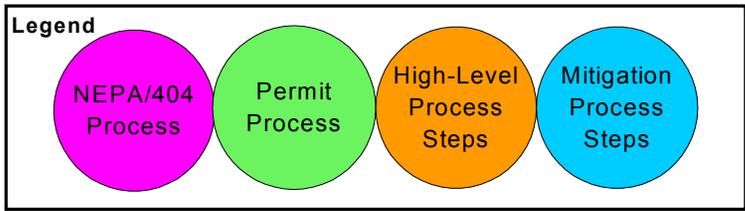
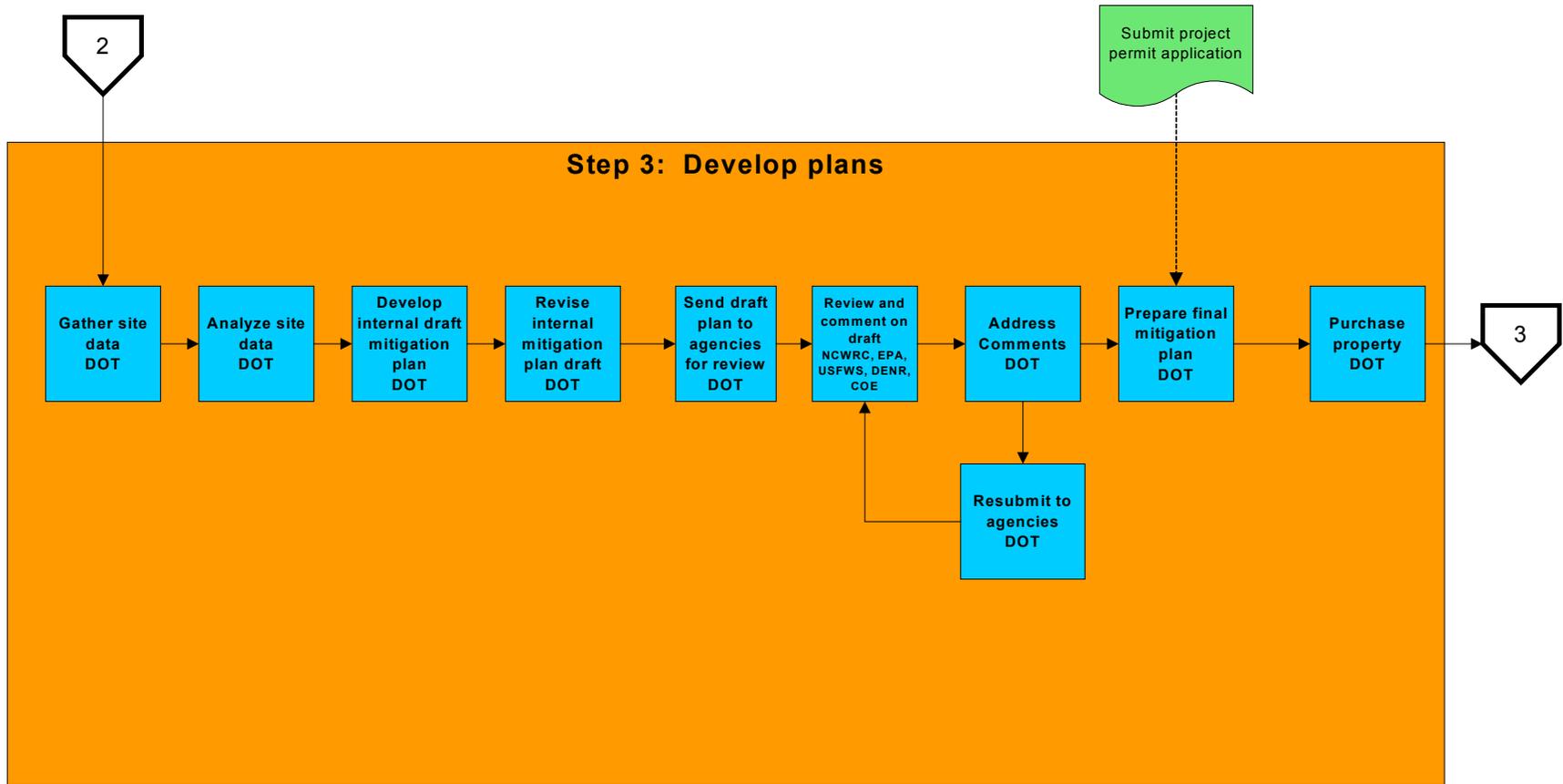

Wayne Wright
Chief, Regulatory Division
USACE

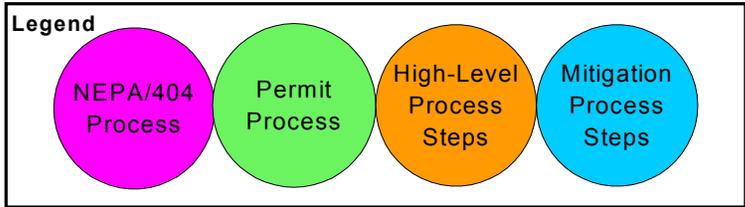
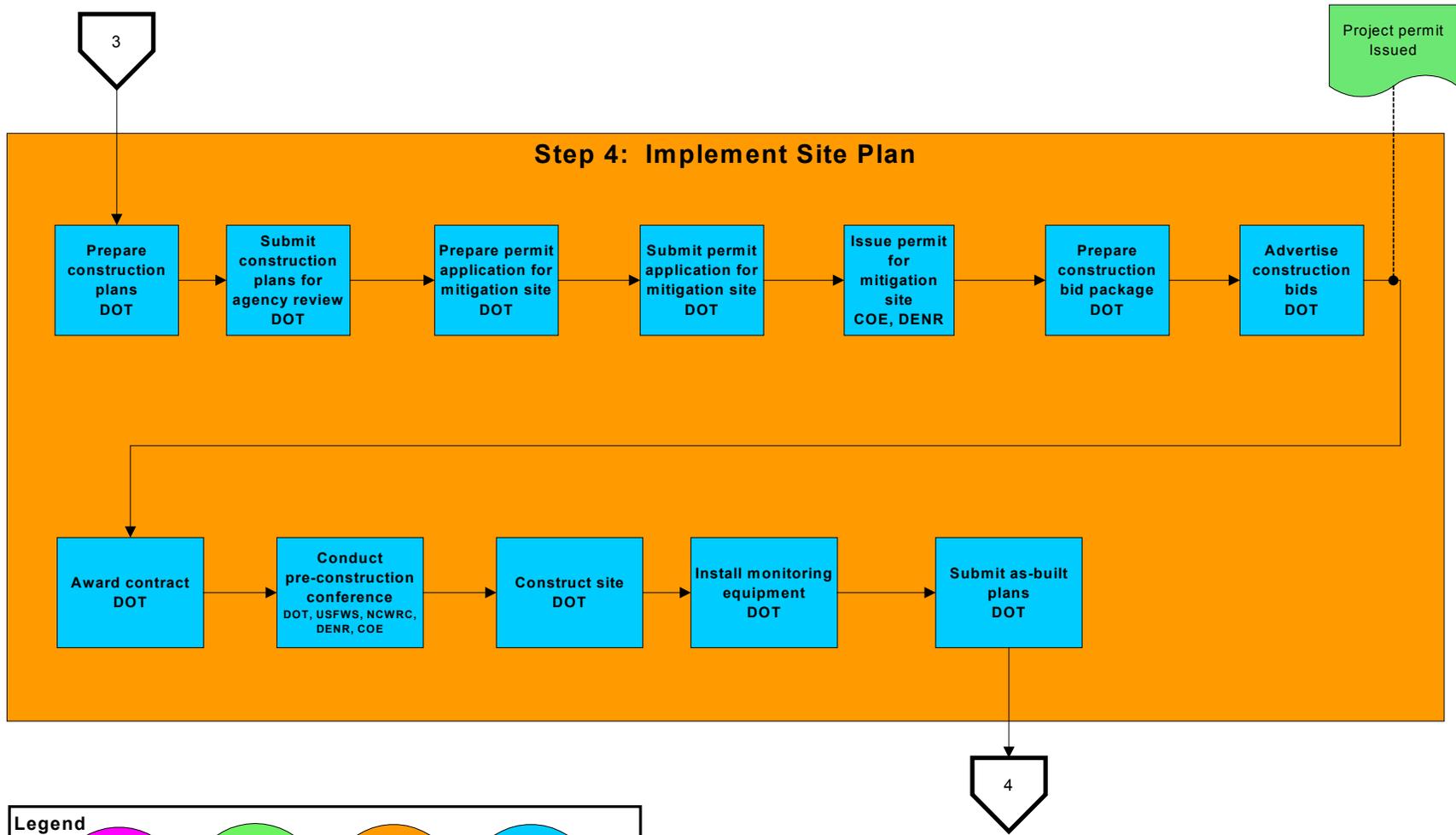
Cc: Janet D'Ignazio, NCDOT
Len Sanderson, NCDOT

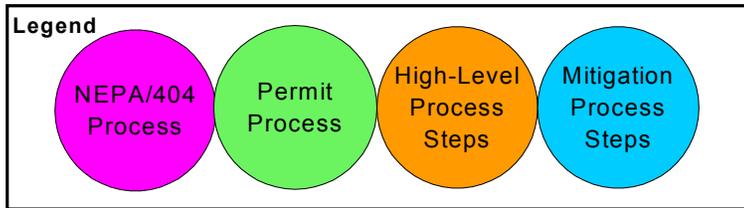
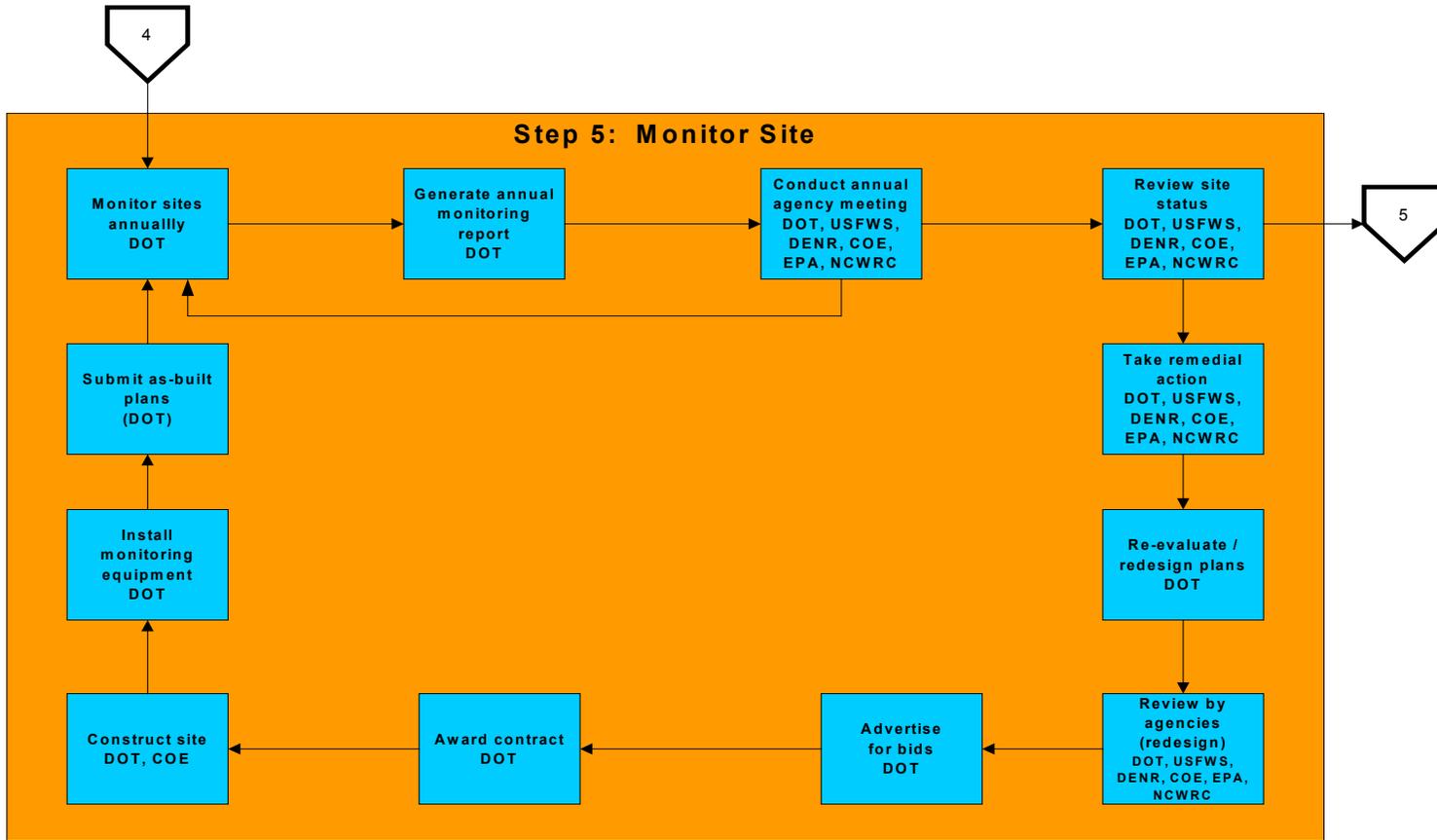
Appendix C

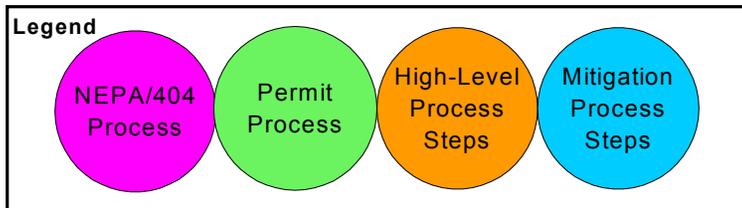
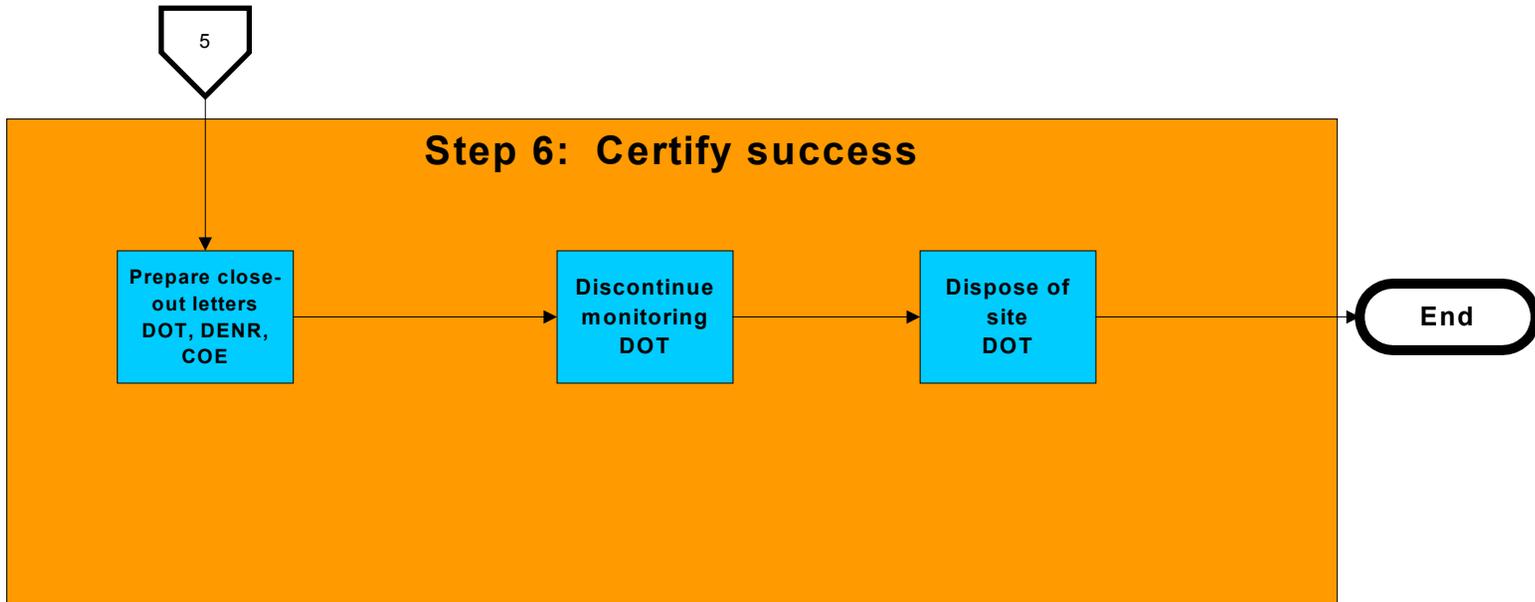
Detailed Existing Process Map

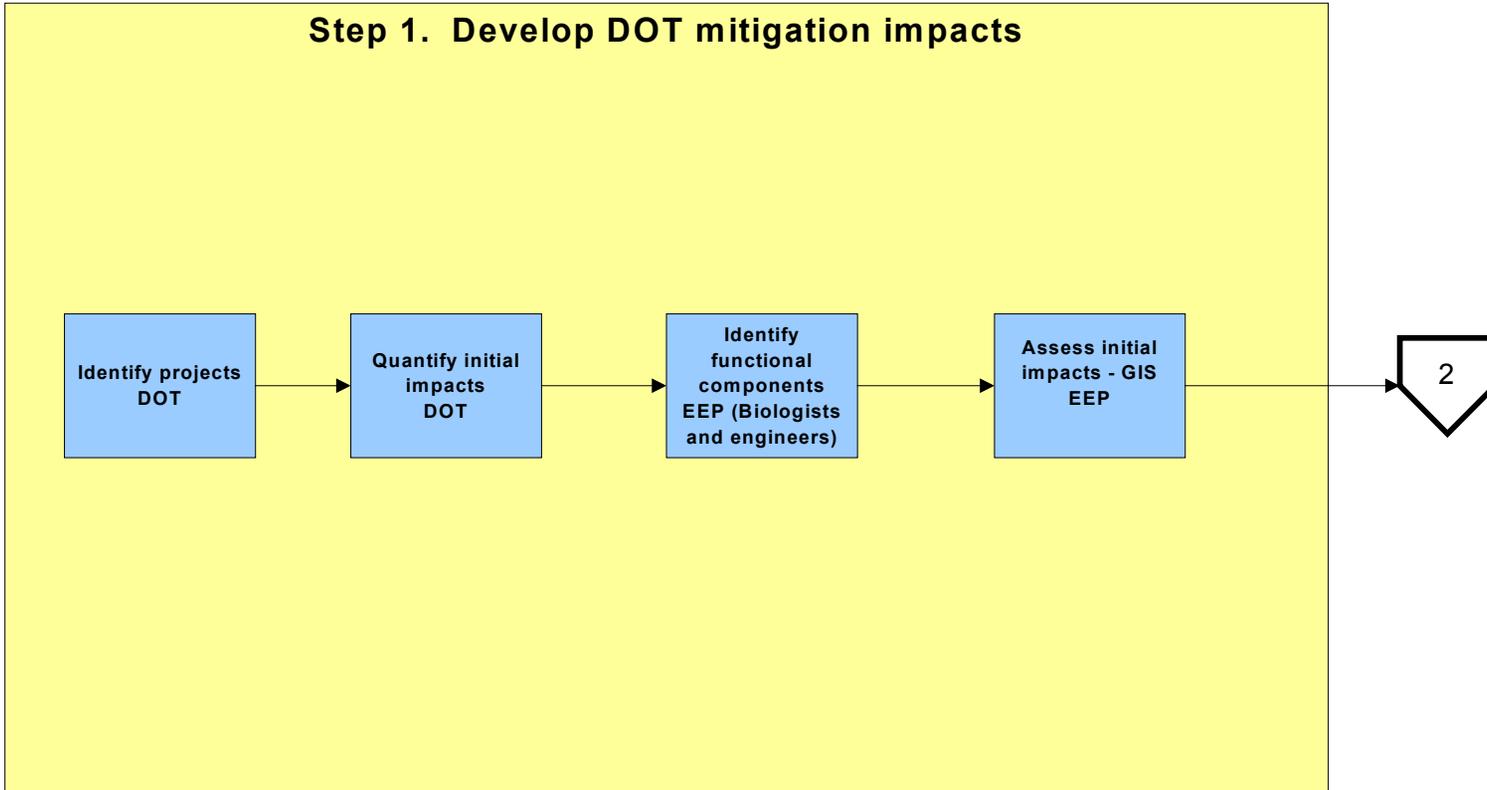




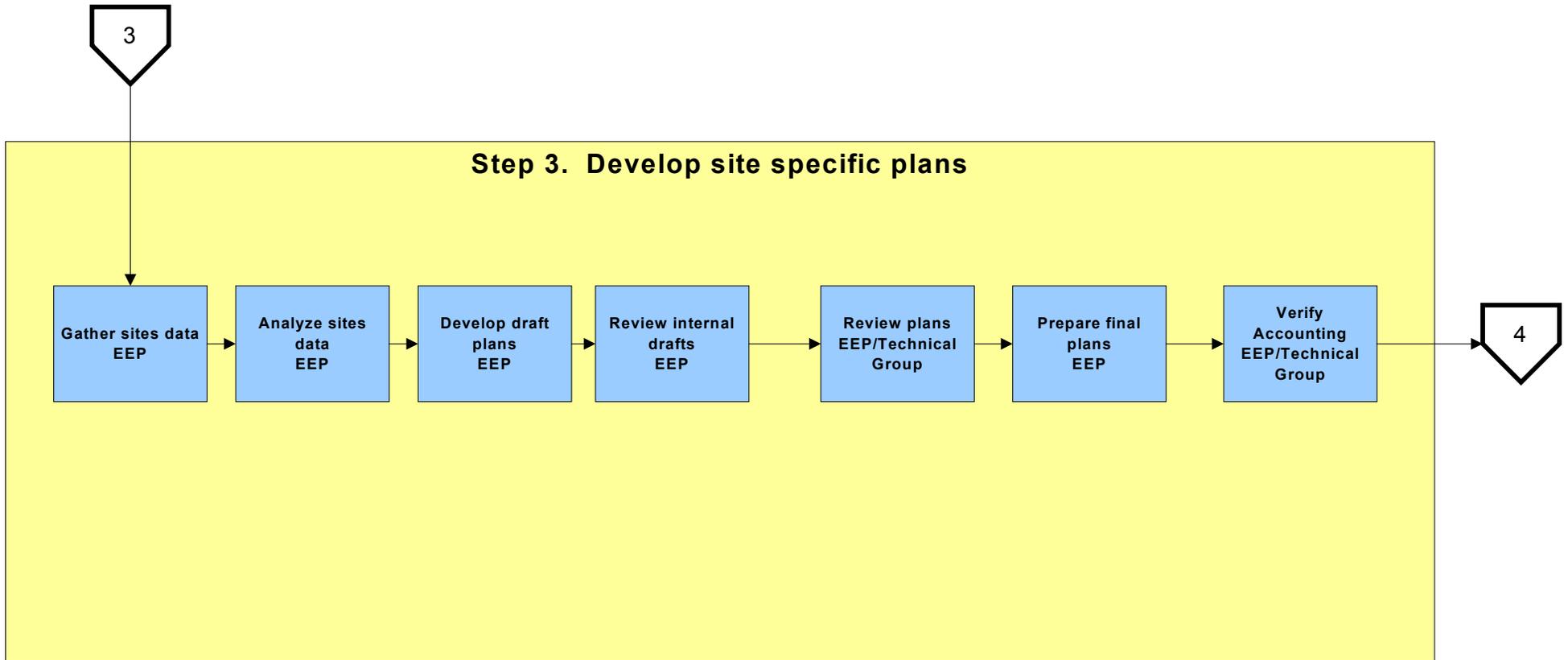


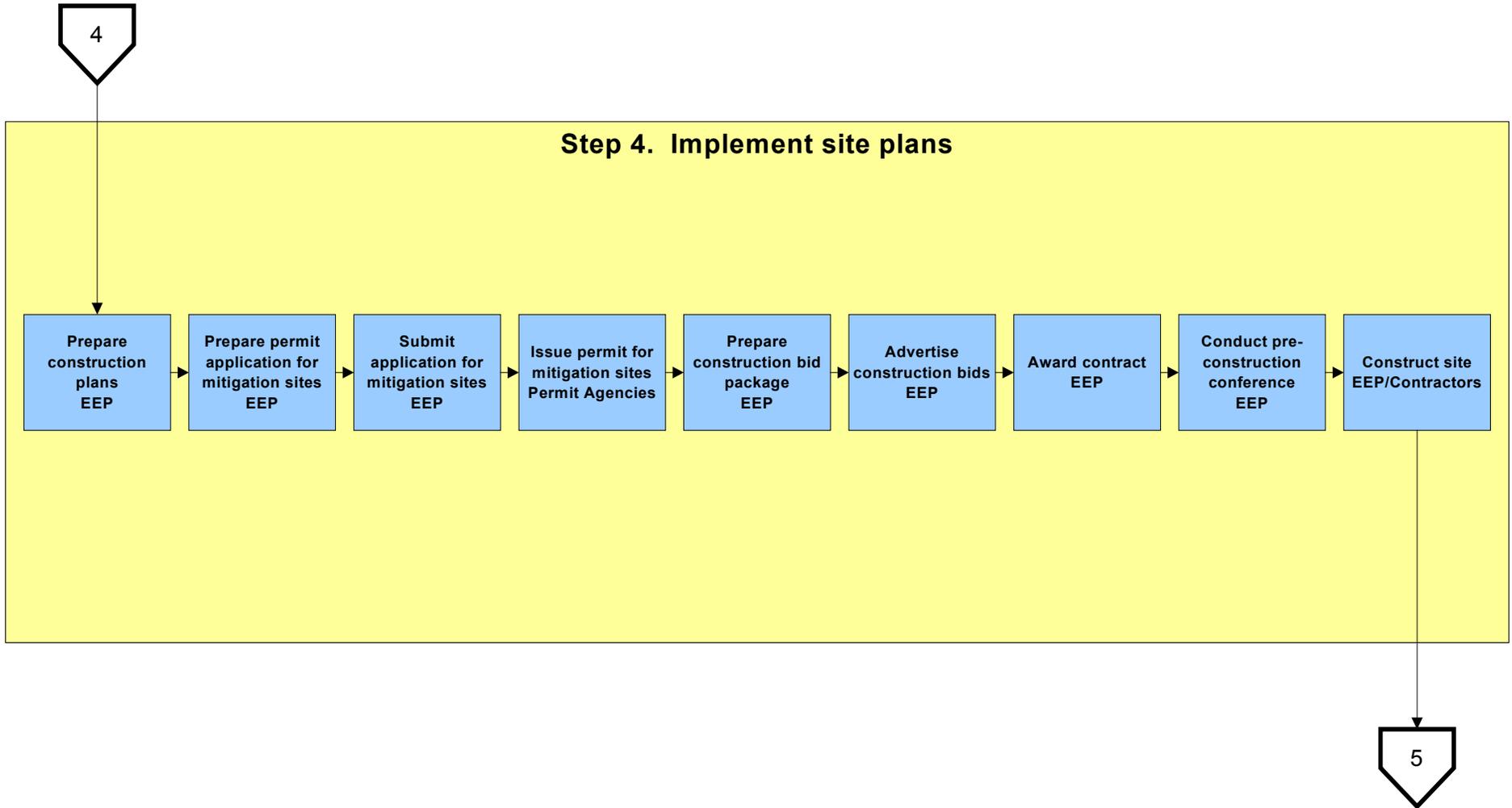


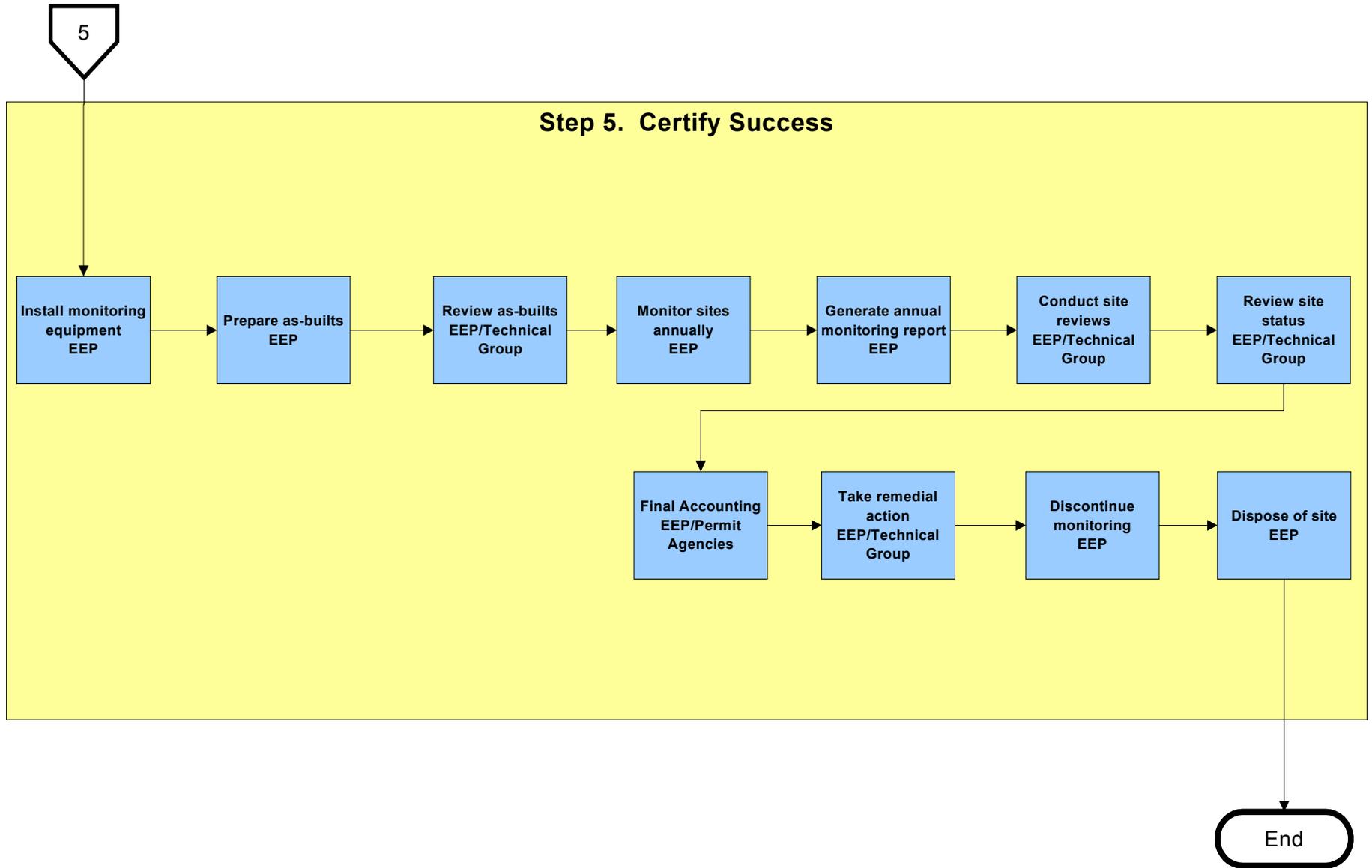






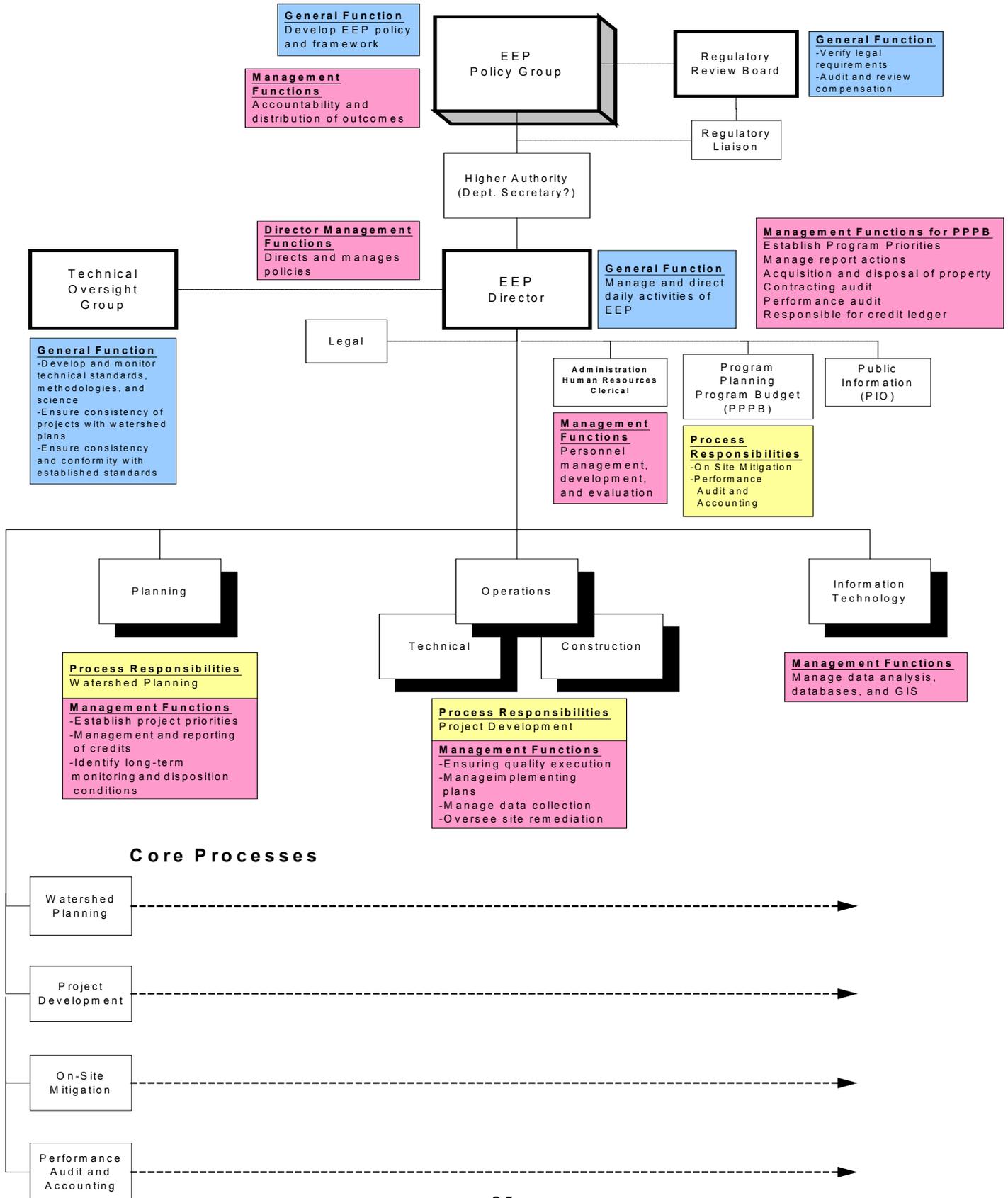




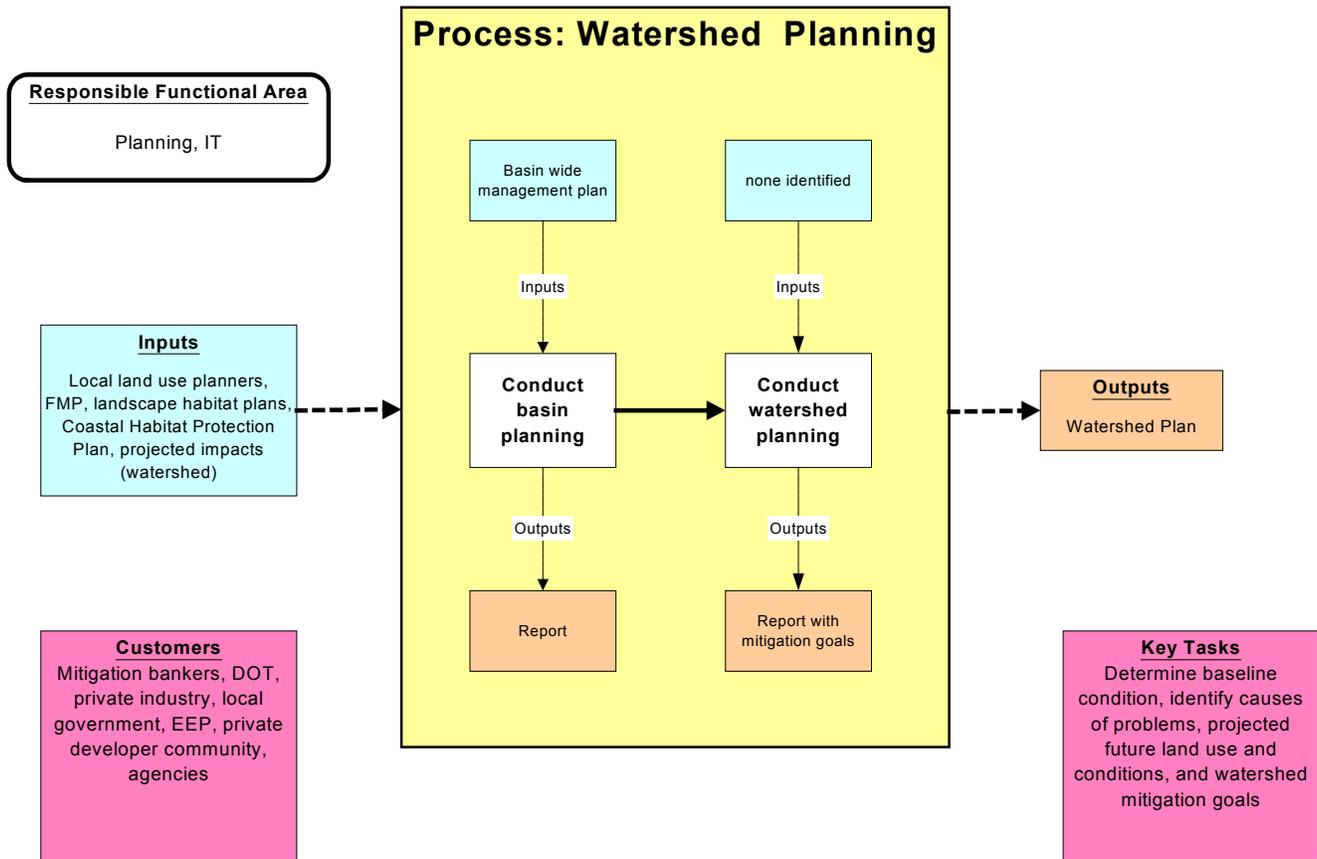


Appendix E

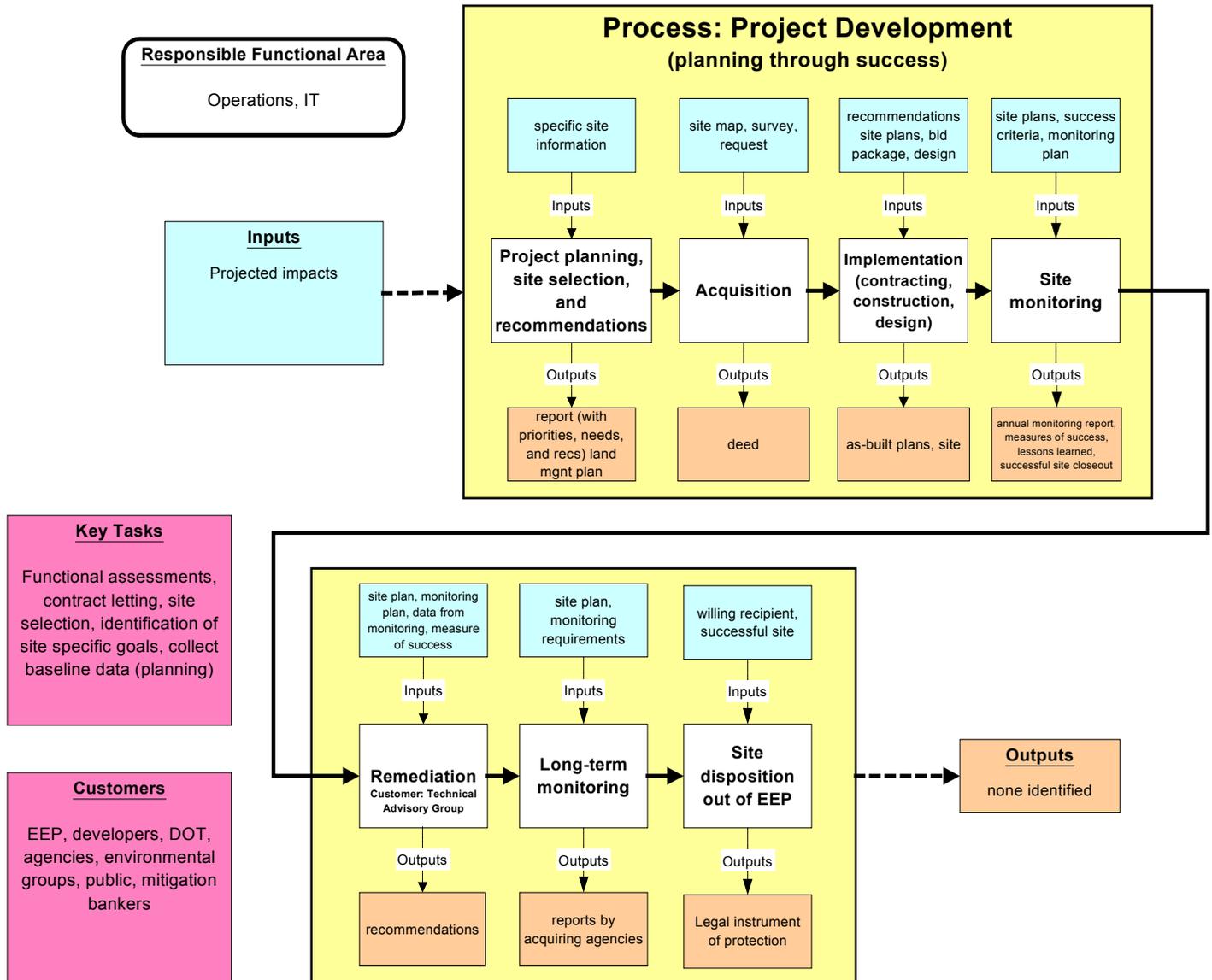
Ecosystem Enhancement Program Structure



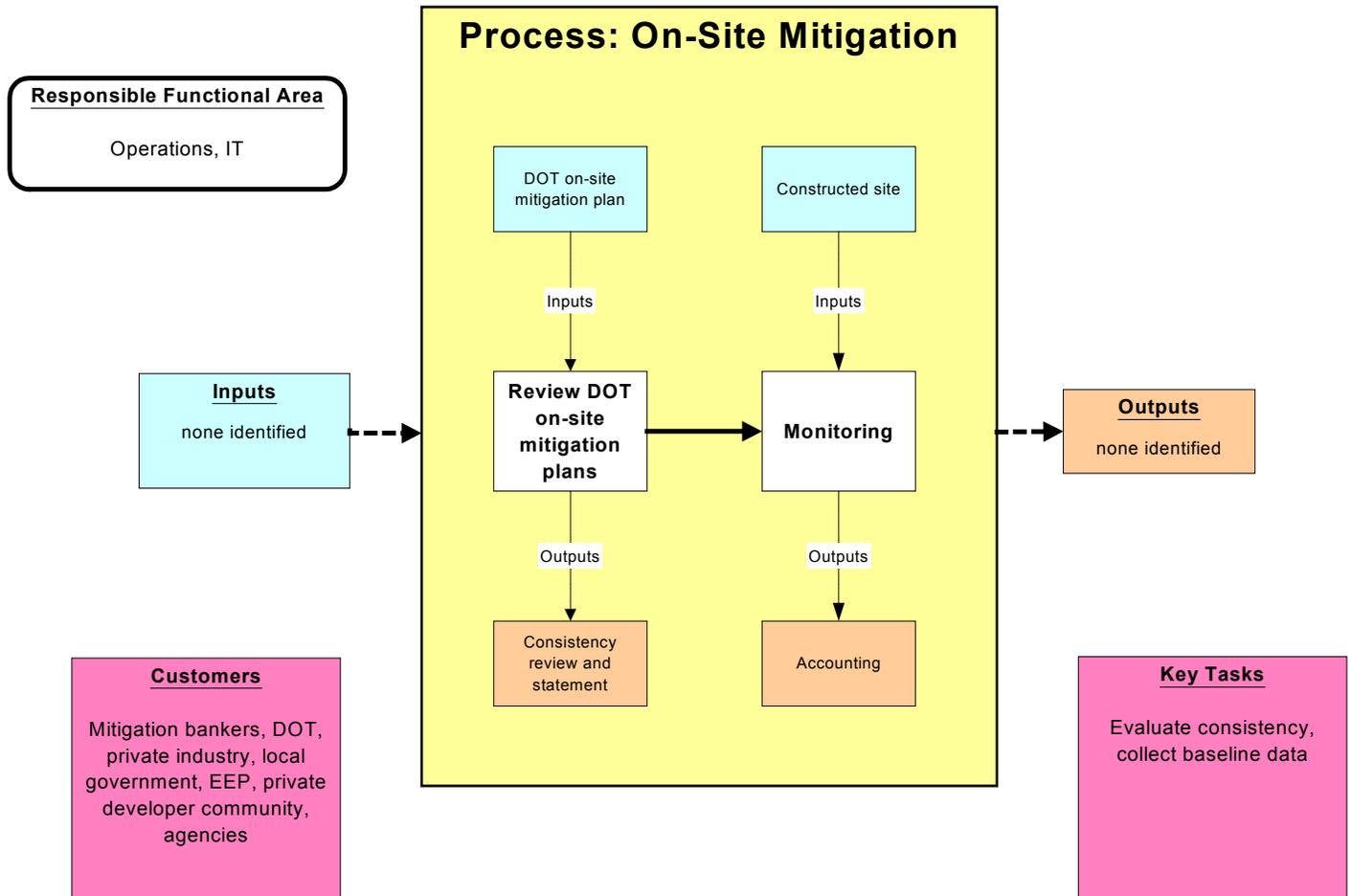
Core Processes - EEP



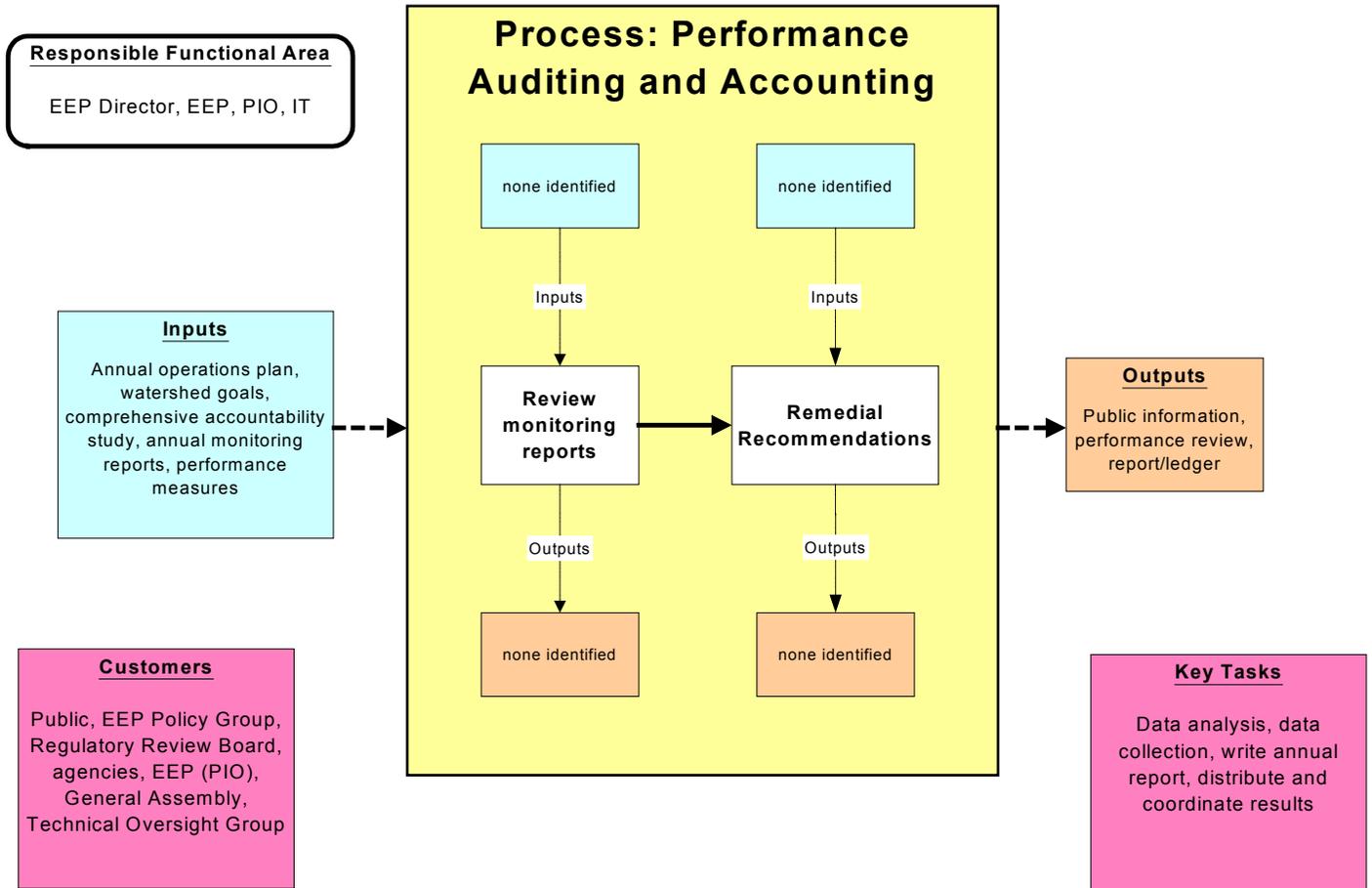
Core Processes - EEP



Core Processes - EEP



Core Processes - EEP



Appendix G

Ecosystem Enhancement Program Relationship Map
 "The EEP Solar System"

