

Testimony of Doug Lashley, Managing Member, GreenVest
Senate Energy and Natural Resources Committee
March 15, 2016

Good morning, Chairman Murkowski, Ranking Member Cantwell, and members of the Committee. Thank you for your invitation to testify regarding the Presidential Memorandum issued on November 3, 2015, entitled “Mitigating Impacts on Natural Resources from Development and Encouraging Related Private Investment”

My name is Doug Lashley, and I am the founder and CEO of a small 10 person firm known as GreenVest. We are the aforementioned “private investment”. GreenVest has been around 22 years and is headquartered in Maryland with offices in Raleigh, North Carolina and Edison, New Jersey. We are known as an environmental mitigation banking firm. In just the last 3 months GreenVest has hired 3 new people, we have written contracts for over \$18,000,000 worth of new project work, and are extremely interested in seeing this momentum continue.

Mitigation banking is a key part of the federal permitting process and the final part of the “avoid, minimize, mitigate” in the federally-recognized mitigation hierarchy to offset project impacts. This form of advanced compensatory mitigation means that the environmental benefits are achieved before the project is permitted. Mitigation bankers restore wetlands and other areas with important natural resources, then seek credits from federal permitting agencies. These credits can then be purchased by developers and permit seekers. A review of Corps’ permit data showed that using mitigation banks, versus other types of mitigation, can reduce permit processing times significantly.

This approach recognizes the ecosystem values of the watershed, i.e., its water, wetlands, habitats, riparian forests, etc., and provides multiple incentives for restoration and improvement of these ecosystem functions. Credit potential is established by restoring and enhancing degraded wetland, stream, forests and upland habitats which will generate functional uplift to the natural systems and provide a means of realizing economic value from the properties. This is GreenVest’s core business. We create credits for transportation agencies, counties, the energy industry and the private development community.

Our firm welcomed the Presidential Memorandum because it provides a framework for the various federal agencies involved in permitting development projects. It’s also recognition that the good work we have all done the last 20 years in helping generate good quality compensatory mitigation is a key factor in helping expedite the restoration of our country’s infrastructure. With continued coordination from the Administration and amongst all relevant Federal Agencies we can accelerate permitting in a balanced and efficient way.

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The work of GreenVest in the Mid Atlantic is helping negate some of the negative conditions that exist in our landscape while better achieving a balance between economic stability and growth within our communities. Integrating economic growth and ecological restoration and is vital to

ensuring future sustainability in the United States and throughout the world. It is clear that in today's complex financial markets, economic strategies that involve the restoration and protection of natural resources will succeed and prosper. Current regulations provide a framework to generate economic value through the protection of these resource values and the development of ecological assets. What is needed is more collaboration between permitting authorities as well as capital from the private sector.

An increasing flow of private capital, incentivized by a consistent regulatory environment, means more, and increasingly large-scale projects. Wetland, forest and stream mitigation banking represents the most mature of the new ecosystem markets and holds lessons for how policy can be a tool to enlist private capital to drive broader conservation. This consensus building and collaboration is essential in order to instill continued confidence in the market we have created.

We believe implementation of the Presidential Memorandum is a great opportunity for agencies that have an impact on the permitting process to find cost savings and efficiencies at a significant level. The Presidential Memorandum has already helped generate a significant level of interest in continuing to promote the investment of private capital as evidenced by the recent announcements about the infusion of both private endowments and Wall Street money in the \$1 Billion Dollar range. The Department of Interior also just announced the establishment of a Natural Resource Investment Center to enhance the prospect that the private sector will invest in these projects. This type of continued involvement and recognition by government that private sector entrepreneurial skills, creativity and bringing capital to the table will help address the need to balance economic growth with environmental quality is fundamentally a sound policy.

I appreciate the opportunity to testify, and look forward to answering your questions.