

THE
CONSERVATION FUND

September 7, 2017

Mr. David S. Hobbie
Regional Regulatory Chief
Alaska District, U.S. Army Corps of Engineers
P. O. Box 6898
JBER, AK 99506-0898

Dear Mr. Hobbie:

The Conservation Fund (TCF) provides this letter and the attached tables in response to your letter dated 17 July 2017 relating to TCF's Alaska In-Lieu Fee Compensatory Mitigation Program. TCF appreciates the Corps' willingness to work with us to resolve the pending issues associated with the operation of this Program. Tables 1 and 2 contain proposed plans and timelines to address the fulfillment of advance credit sales and acreage obligations and to complete the Instrument revision. Our proposed timelines in the tables cannot fully account for regulatory review timeframes or other factors beyond the control of TCF.

TCF also has included a draft outline of the revised Instrument, including a draft outline of the Compensation Planning Framework. This Instrument outline represents current components of the revised Instrument that TCF is contemplating for inclusion. The outline proposes an Instrument structure whereby the fundamental terms are set forth in the body of the Instrument, and any changes to these terms would require a formal modification to the Instrument. Technical provisions are set forth in Appendices to the Instrument, and TCF proposes that changes to the Appendices (such as changes in credit pricing) can be accomplished through an exchange of letters between the Corps and TCF.

This outline is not finalized and components are likely to be added and removed as the Instrument revision progresses. TCF intends to have a working draft of the revised Instrument by the end of calendar year 2017.

TCF requests that the Corps provide initial feedback on: 1) the proposed structure of the Instrument (i.e., fundamental terms in the Instrument with technical Appendices), and 2) the service areas identified in the draft outline of the Compensation Planning Framework. TCF has included brief notes for each service area, and, before committing considerable time and resources to develop each service area analysis, TCF would appreciate initial feedback from the Corps about the identified service areas.

Finally, TCF requests a meeting with the Corps in the next 2-3 weeks to discuss this letter and the proposed plans and timelines in the attached tables.

If you have any immediate questions, please contact Chris Little, Alaska Associate, Conservation Acquisition, at (907) 929-2249 or clittle@conservationfund.org.

Sincerely,



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