

EXHIBIT C
COMPENSATION PLANNING FRAMEWORK
RANGE-WIDE INDIANA BAT AND NORTHERN LONG-EARED BAT IN-LIEU FEE
PROGRAM

The Compensation Planning Framework (CPF) describes the procedure that will be used to select, secure, and implement northern long-eared bat and Indiana bat habitat preservation and restoration pursuant to the Range-Wide Indiana Bat and Northern Long-eared Bat In-Lieu Fee Program (ILF Program). The CPF was initially based on the guidance provided by the USFWS in the Programmatic Biological Opinion for Transportation Projects in the Range of the Indiana Bat and the Northern Long-Eared Bat (Programmatic BO) but has been expanded given the allowance of use of the ILF for any type of project. All specific ILF Mitigation Projects used to provide compensation for actions by the Transportation Agency (or other Authorized Users, per agreement by the local USFWS FO) must be consistent with the approved CPF.

Capitalized terms used but not defined in this CPF will have the meanings established in the Amended and Restated Program Instrument for the ILF Program.

Elements of the Framework:

Geographic service areas: As outlined in Section 11, the ILF Program establishes Service Areas that correspond to states that are known to have Indiana bats and/or NLEB occupancy (refer to Figure 1 in Exhibit B of the Program Instrument for a map of service areas).

Listing Status

The Indiana bat was one of 78 species first listed as being in danger of extinction under the Endangered Species Preservation Act of 1966 (32 FR 4001, March 11, 1967). The ESA extended full protection to the species.

The USFWS listed the northern long-eared bat as a threatened species on April 2, 2015 (80 FR 17974). The USFWS issued a final 4(d) rule for the northern long-eared bat on January 14, 2016 (81 FR 1900).

Life History

The Indiana bat and northern long-eared bat are temperate, insectivorous, migratory bats that hibernate in mines and caves in the winter and spend summers in wooded areas. The key stages in the Indiana bat and northern long-eared bat annual cycle are: hibernation, spring staging and migration, pregnancy, lactation, volancy/weaning, fall migration, and swarming. All periods outside of the hibernation period are considered to be the “active season” for the Indiana bat and northern long-eared bat. While varying with weather and latitude, these species generally hibernate between mid-fall through mid-spring each year. In the spring, reproductive females migrate and form maternity colonies where they bear and raise their young in wooded areas throughout the summer. In the Northeast, the spring migration period is generally from mid-March or early April to mid-May, as females depart shortly after emerging from hibernation and are pregnant when they reach their summer area. Males and non-

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reproductive females often do not roost in colonies and may stay close to their hibernaculum; however, some migrate to summer habitat as well. Young of both species are born between late May and early June, with nursing continuing until weaning, which is shortly after young become volant (able to fly) about a month later (mid- to late-July). Fall migration likely occurs between mid-August and mid-October (Service 2007). The timing of these events is also influenced by weather.

The basic resource needs for the Indiana bat and northern long-eared bat across their entire range are safe winter hibernation sites; forested spring staging/fall swarming habitat; connected forested summer habitat for roosting, foraging, and commuting; forested migratory stopover habitat; safe migration passage; insects; and clean drinking water (e.g., streams, riparian areas, and wetlands).

Conservation Needs

The USFWS prepared a recovery plan for the Indiana bat in 1983 (Service 1983) and drafted a revised recovery plan (recovery plan) that was made available for public comment in 2007 (Service 2007). While it was not officially adopted (as White Nose Syndrome impacts were discovered in that timeframe and resources were shifted towards addressing this new threat), it embodies the best available scientific information and it outlines recovery actions that are relevant to the majority of stressors for the species. The recovery plan (Service 2007) delineates recovery units (RUs) based on population discreteness, differences in population trends, and broad level differences in land use and macrohabitats: Ozark-Central, Midwest, Appalachian, and Northeast.

Indiana bat hibernacula are divided into priority groups that have been redefined in the USFWS's Draft Recovery Plan:

- Priority 1 (P1) hibernacula typically have a current and/or historically observed winter population of greater than or equal to 10,000 Indiana bats;
- P2 have a current or observed historic population of 1,000 or greater, but fewer than 10,000;
- P3 have current or observed historic populations of 50 to 1,000 bats; and
- P4 have current or observed historic populations of fewer than 50 bats.

Priority actions described in recent 5-year reviews (Service 2009; 2019) include: incorporating White Nose Syndrome (WNS) into the recovery plan; monitoring status of hibernacula; monitoring status of maternity colonies; implementing the North American Bat Monitoring Program; providing for continual recruitment of high quality roosting habitat; securing permanent/long-term protection of Priority 1 and Priority 2 hibernacula; conducting additional

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research to understand the causes and potential spread of WNS; researching management actions aimed at minimizing the spread of WNS (i.e., an adaptive management approach); continuing public education/outreach efforts about WNS; and continuing to refine survey protocols.

The Service has not yet approved a recovery plan for the northern long-eared bat. However, the current focus addresses the following conservation needs similar to the Indiana bat:

- Managing the effects of WNS;
- Conserving and managing winter colonies, hibernacula, and surrounding swarming habitat;
- Conserving and managing maternity colonies; and
- Conserving migrating bats.

Threats

Threats to the Indiana bat are discussed in detail in the recovery plan (Service 2007) and the 5-year reviews (Service 2009, 2019b). Traditionally, occupied habitat loss/degradation, winter disturbance, and environmental contaminants have been considered the greatest threats to Indiana bats. The recovery plan (Service 2007) identified and expounded upon additional threats, including collisions with man-made objects (*e.g.*, wind turbines). The 2009 5-year review (Service 2009) was the first review to include the threat of WNS, which is now considered the most significant threat to the recovery of the species. WNS has spread across the range of the Indiana bat with declines varying among hibernacula. Overall, the Service finds that WNS has significantly reduced the redundancy and overall resiliency of the Indiana bat to withstand other cumulative threats. For example, Erickson *et al.* (2016) modeled the interaction of WNS and wind turbine mortality and the interaction resulted in a larger population impact than when considering the effects of either stressor alone. In addition to extrinsic factors, there are several intrinsic biological constraints affecting Indiana bats. High Indiana bat adult female survival is required for stable or increasing growth rates (Thogmartin et al. 2013). Given the significant declines in populations across much of the range, it is essential to minimize impacts to reproductive potential for surviving Indiana bats. Healthy adult females have a maximum of 1 pup per year. Thus, the ability of the species to increase reproductive success is limited.

WNS has caused precipitous and dramatic declines in northern long-eared bat numbers (in many areas, 90–100% declines) where the disease has occurred and was the primary factor resulting in the listing of the species under the ESA. As WNS continues to spread across the northern long-eared bat range, northern long-eared bat numbers have continued to decline to varying degrees. Notwithstanding the severity of the impact of WNS to the northern long-eared

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bat, there are other anthropogenic threats to northern long-eared bats. Northern long-eared bat hibernacula may be impacted by humans altering or closing hibernacula entrances. Forest conversion and management may result in habitat loss, fragmentation of existing habitats, and direct and indirect injury and mortality of individual bats. Tree removal around maternity roosts and hibernacula may cause injury and death to individual northern long-eared bats. Environmental contaminants, in particular insecticides, pesticides, and inorganic contaminants, such as mercury and lead, may have detrimental effects on individual NLEBs. northern long-eared bats have also been documented to collide with wind turbines.

Analysis of historic and current habitat resource conditions: The current ranges of the Indiana bat and northern long-eared bat include much of the eastern half of the United States (See Exhibit B, Figure 1). The species has disappeared from, or greatly declined, in most of its former range in the northeastern United States due to the impacts of White-Nose Syndrome .

At present, few healthy winter populations (and likely associated maternity colonies) remain in the Northeast and Appalachia Indiana bat Recovery Units. WNS impacts are expected to continue across the range for years to come as are other ongoing threats (e.g., climate change, wind turbines) to the bats and their habitats. Given the species' limited reproductive potential, populations are not likely to rebound in the near term. In short, over the past decade, WNS has increased the species' risk of extinction as the resiliency, redundancy, and representation of its remaining populations have declined. While hundreds of partners are implementing conservation actions for the Indiana bat across its range, the majority of the Indiana bats' population-based and protection-based recovery criteria have not yet been achieved, identified threats have not yet been sufficiently reduced and stable population growth at the most important hibernacula has not been sustained.

As a whole, the rangewide status of both species appears to be declining (with some Indiana bat winter populations stabilized or improving and most declining). Improving sites may be a result of movement of Indiana bats from other winter sites along with reduced impacts of WNS. There are very few sites that have had this kind of response. The Service recommended maintaining the current classification of the Indiana bat as an endangered species in its last 5-year review (Service 2019b). For a more detailed account of the Indiana bat description, life history, population dynamics, threats, and conservation needs, refer to: <https://www.fws.gov/midwest/endangered/mammals/inba/index.html>. For a more detailed account of the northern long-eared bat description, life history, population dynamics, threats, and conservation needs, refer to: <https://www.fws.gov/midwest/endangered/mammals/nleb/index.html>

Statement of habitat resource goals:

The objectives of compensatory mitigation implementation are to achieve standards for performing habitats, that is, habitat that will effectively support Indiana bat and/or northern

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long-eared bat during their life-cycle in the present or future. Established objectives for each habitat and compensatory mitigation effort are provided below as detailed in the Programmatic BO¹ but there may be alternative priorities identified in subsequent BOs, HCPs, or USFWS conservation planning documents:

Forest Habitat Restoration

Indiana bats and northern long-eared bats are known to use many species of trees for roosting and foraging (see Table 5 of the Draft Indiana bat Recovery Plan for a list of roost tree species). A restoration project will include the following unless otherwise approved by USFWS:

- Include each of three categories of trees: softwoods, hardwoods, and cottonwood (*Populus deltoides*) or other species that fulfill the same ecological requirements in a particular geographic area. The percentage of each category can be determined by the individual restoration goals and the site conditions. Each category of trees should be included in the mix, if native to the site/area;
- Use trees native to the restoration site and that are locally adapted, where practicable;
- Plant seedlings using a minimum density of 544 trees per acre (8 x 10) spacing;²
- Follow United States Department of Agriculture Natural Resources Conservation Service planting guidelines for site preparation, weed control, and type of trees (e.g., bare root seedlings) that are most suited to the restoration site.
- Enhancement must have specific goals and objectives (e.g., number of openings) that can be quantified to determine success and must be presented in a plan detailing how the mitigation will positively affect Indiana bat habitat.

Forest Habitat Protection

- Sites will be protected sufficiently to ensure the persistence of key components of Indiana bat habitat including but not limited to mature and senescent trees; wetlands, streams or other water sources; and functional travel corridors;

¹ USFWS, *Programmatic Biological Opinion for Transportation Projects in the Range of the Indiana Bat and Northern Long-Eared Bat*, 2016. Page 50-53.

² A marginally less dense planting (e.g., 10x 10 or 10 x12 spacing) can be implemented where conditions allow (e.g., restoration site is contiguous on one or more sides with an existing mature forest containing multiple Indiana bat suitable species) based on the recommendation of the restoration contractor with concurrence of the appropriate USFWS Field Office.

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- Sites will be protected to preclude activities that will harm or disturb maternity colonies or staging/swarming bats including but not limited to development, intensive management (e.g., controlled burning except under a plan specific to protecting Indiana bats/northern long-eared bats or improving Indiana bat/northern long-eared bat habitat), and intensive recreation (e.g., off-road vehicle use or paved trails).

Winter Habitat Protection or Restoration

- A plan will be developed in conjunction with and authorized by the appropriate USFWS FO detailing the goals, measurable objectives, specific actions to achieve those objectives, and identified risks of any project involving work at a hibernaculum;
- A qualified bat biologist in coordination with the FO will supervise any protection (i.e., acquisition, easement, cave gating) or restoration of a hibernaculum;
- All protocols relevant to WNS will be adhered to.

The following are guidelines for monitoring compensatory mitigation habitat under this range-wide programmatic consultation. Variations are permissible to account for the geographic location of the compensatory mitigation and/or the specific characteristics of the restoration site. Site monitoring is required to ensure that the compensatory mitigation was implemented according to the guidelines.

Forest restoration sites will be monitored/assessed:

- To provide initial confirmation that the site was planted using an appropriate species mix (the appropriate FO will provide review and recommendations concerning the species mix) and planting density;
- To confirm at least a 70% survival rate of planted species at 3 years and again at 7 years or to confirm a minimum stand density of planted and volunteer native trees equal to at least 70% of the planted density (e.g., planting on 8 x 10 spacing = 544 trees / acre and 70% is 381 native trees per acre);
- To determine whether or not invasive species threaten the function of the compensatory mitigation site as Indiana bat/northern long-eared bat habitat – at Year 7 assess the site and if so these must be controlled to remove that threat between years 7 and 10.
- To quantify the effects of enhancement and to describe the post-compensatory mitigation site condition along with a narrative of the expected improvement to Indiana bat habitat.

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Forest protection sites will be monitored/assessed:

- To ensure all mitigation requirements have been met prior to acceptance of the site as compensatory mitigation.

Winter habitat compensatory mitigation sites will be monitored/assessed:

Cave Gating

- To determine whether or not the newly installed gate is affecting egress/ingress and/or swarming behavior of bats at the entrance of the cave by a qualified bat biologist using night-vision equipment during fall migration and fall swarming in the first autumn after the gate is installed, and to provide an overall assessment of the function of the gate;
- To establish the security of the gate digital photographs will be taken of the cave entrances and gates as part of a security inspection that will occur at least yearly in September or October - any identified breaches in gate security will be reported to the USFWS within 48 hours;
- To document the effectiveness of the gate, where practical speloggers and dataloggers should be installed inside the gate and checked annually between April 1 and May 31. Documentation of the effectiveness of the gate will occur for a limited period of time, as determined by the FO.

Other Winter Habitat Mitigation (e.g., restoring air flow, repairing structural problems, addressing flooding or contaminants issues):

- To document that the mitigation action (e.g., stabilizing a mine entrance) was completed according to specifications;
- To regularly evaluate the structural or functional integrity of the action;
- To verify the implementation or function of any other essential components of the mitigation as determined by the appropriate USFWS.

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All compensatory habitat compensatory mitigation sites will be monitored/assessed:

- Provide an initial assessment/confirmation that the habitat slated for protection is suitable based on USFWS guidelines for summer foraging or roosting habitat; spring swarming/fall staging habitat, or winter habitat protection;
- ILF Mitigation Project Providers will confirm that the compensation is extant and that the compensatory mitigation requirements (e.g. site is being adequately protected) are being met at year three, and at year seven after the site's establishment. The monitoring may be done by site visits or remote sensing.
- The ILF Program will have a monitoring program that will be outlined in each ILF Mitigation Project Provider Agreement. USFWS and Transportation Agencies will use the monitoring information to evaluate the effectiveness of the conservation strategy and determine if the conversation strategy should be revised. Note that if the maternity colonies or hibernacula populations are no longer extant at the conservation sites, the compensatory mitigation completed or in-progress will not be affected (voided), provided the sites followed the appropriate site establishment and protection criteria.

Prioritization strategy: USFWS initially prioritized the compensatory mitigation and conservation actions based on the effects of the transportation program on Indiana bats and the conservation needs of Indiana bats. The goal of the conservation program is to implement the highest priority compensatory actions for a Transportation Project or other Action where practicable. In some circumstances, USFWS may determine that a lower priority compensatory measure may provide a higher conservation value for Indiana bats in a given area or circumstance.

The ILF Program Instrument requires the establishment of a Conservation Focus Area (CFA) by the USFWS Field Office for each Service Area (state) that is mandatory for participation in the ILF Program. The purpose of establishing CFAs is to identify key areas in each Service Area in which to focus conservation efforts. The ILF Program will strategically look to consolidate compensatory mitigation requirements from multiple projects into larger compensatory mitigation sites within CFAs to provide greater ecological benefits for Indiana bats, when practicable.

Service area CFAs will likely incorporate the different Indiana bat/northern long-eared bat habitat types (e.g., Summer Habitat CFAs, Winter Habitat CFAs). Collectively, these specific CFAs should consist of comparatively large areas containing the potential for preservation or restoration of Indiana bat/northern long-eared bat habitat in key landscapes for Indiana bat conservation and recovery.

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Establishing CFAs

The following criteria should be considered when delineating broader service area/state-specific CFAs in support of the conservation goals and compensatory mitigation priorities identified in this Compensation Planning Framework. Ideally, CFAs should include:

- Tier 1 mitigation priorities (described below)
- Tier 2 mitigation priorities (described below)
- Tier 3 mitigation priorities with the following guidance:
 - Must include suitable habitat for Indiana bats/northern long-eared bats. This could be suitable summer (maternity) or staging/swarming habitat
 - May consist of areas of currently suitable habitat (and infrequently, restorable habitat – if restoration is part of the mitigation proposal) in-between and connecting known Indiana bat locations
 - May provide habitat for expansion or “shifting” of known maternity colonies (suitable habitat adjacent to current colony use)
 - May include bachelor or migratory habitat as defined by acoustic records or captures of adult males in summer, or telemetry along migratory routes
 - May be defined in association with proximate Indiana bat/northern long-eared bat locations (e.g., hibernacula) in a neighboring state where state laws allow and Transportation Agencies agree
 - May prioritize areas of suitable Indiana bat/northern long-eared bat habitat adjacent to existing conservation land or suitable habitat that coincides with an important landscape

The conservation priorities listed below focus on actions which are most beneficial to the species and ensure that effects considered in this consultation (i.e., impacts to individual bats and their summer roosting habitat) are adequately offset. Compensatory mitigation efforts will follow the highest priority option practicable unless there is a biological reason to select a lower priority option. Compensatory mitigation efforts should focus on protecting larger blocks of habitat (generally 50 acres or larger within a single maternity colony home range) and enhance and enlarge existing habitat blocks or provide connectivity across the landscape to achieve meaningful conservation.

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TIER 1

Protect/Restore Summer Habitat

- Summer habitat compensatory mitigation must be focused within documented summer habitat buffers (for Indiana bat - a roughly 2.5-mile radius around the center of documented roosts or within a roughly 5-mile radius around the center of capture locations where the roosts are not documented [i.e., radio telemetry was not done or did not identify roost trees]; for northern long-eared bat - a roughly 1.5-mile radius around the center of documented roosts or within a roughly 3-mile radius around the center of capture locations where the roosts are not documented [i.e., radio telemetry was not done or did not identify roost trees]).
- Summer habitat compensatory mitigation should focus on protecting larger blocks of occupied habitat, associated buffer areas, and connecting corridors. Compensation may include protection/restoration of roosting habitat, foraging habitat or corridors. If protection or restoration of corridors is used, the corridors must connect habitat patches of at least 20 acres of suitable habitat to ensure the corridors actually provide meaningful connectivity.
 - Protection/Preservation of suitable forested habitat within the maternity colony home range should focus on protecting forest within or adjacent to forest blocks with documented captures, roosts, telemetry, or acoustic detections, when this type of information is available.
 - Restoration of forested habitat should focus on expanding forest patches within the maternity colony home range with documented captures, roosts, telemetry or acoustic detections where the USFWS FO deems appropriate (e.g., home ranges with less than 30-50% forest cover).

TIER 2

Protect/Restore Staging/Swarming Forested Habitat

- Compensatory mitigation should occur within a roughly 5-mile radius around a P1 or P2 Indiana bat hibernaculum opening and any northern long-eared bat hibernaculum opening
- Staging/swarming compensatory mitigation can include either protection alone or restoration with protection of the restored site. Protection will consist of existing forested habitat suitable for foraging Indiana bats. Restoration will consist of planting hardwood trees native to the area of the hibernaculum. Restoration should take

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precedence over protection around hibernacula where suitable forest habitat is limited as determined by the appropriate USFWS FO.

- Both protection and restoration compensatory mitigation sites must be located within roughly 1,000 feet of existing forested habitat or connected to existing habitat by a forested corridor.
- Staging/swarming compensatory mitigation can occur in specific cases around P3 and P4 Indiana bat hibernacula where: a) suitable forest within a 5-mile radius around P3 or P4 hibernacula is extremely limited as determined by the appropriate USFWS FO, or b) Indiana bats have shown resistance to WNS by persisting several years after WNS was recorded at the hibernaculum.

Protect/Manage Hibernacula

- Protection of hibernacula can occur at any occupied Indiana bat/northern long-eared bat hibernaculum subject to a known, existing threat. A known, existing threat is defined as the occurrence of one or more un-gated entrances, an entrance which is unstable and in danger of collapse, or other threats (e.g., contaminants) that can be determined and successfully alleviated.
- In specific cases, restoration of a degraded, occupied hibernaculum can count towards offsetting impacts where, for example, changes to air or water flow has made the hibernaculum less suitable.
- The conservation value of a particular hibernaculum proposed for protection depends on circumstances applicable to that particular site; therefore, standard multipliers are not provided and must be determined on a case-by-case basis. Factors that influence the value of a particular protection site include, but are not limited to: (1) the relative significance of the site to the conservation and recovery of Indiana bats; (2) the quality of the habitat; (3) the level of protection afforded; (4) the degree of risk to the site without the proposed mitigation measure; and (5) the site's position within the landscape (e.g., proximity to other hibernacula).

TIER 3

Protection of Potential Indiana Bat Conservation Lands

- If justified biologically and consistent with the rationale for the State-specific CFA, the local FO may allow for compensation in the form of protection of unoccupied Indiana bat/northern long-eared bat habitat. This option can only be implemented when higher priority conservation options are not available within the three-year compensation time frame.

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- Prior to establishing Tier 3 CFAs, States should strive to identify new Indiana bat/northern long-eared bat summer and/or winter occurrences via acoustic sampling, tracking of spring emergent females, targeted summer presence/probable absence surveys, or other approved methods.

Applied Research

Applied research projects may be included in the ILF Program if determined by the Applicable USFWS FO as the highest practicable conservation effort available or if the research is expected to provide substantial future conservation benefits. Applied research can yield specific information that will improve some aspect of the compensatory mitigation actions of this programmatic or overall conservation of the species. For example, surveys can be used to identify previously unknown maternity colonies or research studies can focus on ways to better protect hibernacula, such as more effective gating. Research will be evaluated similarly to other non-acre specific habitat improvements (such as cave gating) to determine the cost of equivalent credits to offset impacts. This option is expected to be rarely used.

Long-term protection and management strategies and activities: The long-term protection and management of sites ensures that compensatory offsets are established in perpetuity. Preserved compensatory mitigation sites will have long-term protection provisions established at the time of the purchase of land. Restoration on compensatory mitigation sites will be monitored during the performance period until all ecological performance measures are met and then will enter the long-term management phase. Long-term management needs should focus only on ensuring that compensatory mitigation sites remain suitable habitat for the Indiana bat. Management and maintenance of each protected site using ILF Program funds will only include activities that directly relate to ensuring the suitability of Indiana bat/northern long-eared bat habitat and removal of any impacts that affect habitat suitability. For example, long-term management funds may be spent on the removal of invasive kudzu because it could kill forest cover or make roosts unsuitable for bats. However, funds will not be used to remove garlic mustard since this species is unlikely to cause the habitat to become unsuitable for the bat. In general, self-sustaining compensatory mitigation sites will receive priority ranking among compensatory mitigation site proposals, any site in need of long-term funding for management will not be precluded from selection, but the severity of need will be taken into account during the selection process.

Long-term Management/Site Stewardship

ILF Mitigation Projects will be designed, to the maximum extent practicable, to be self-sustaining once performance standards have been achieved. During the Performance Period, the ILF Program Sponsor will ensure that ILF Mitigation Projects are maintained and managed to protect their long-term viability as functional bat habitat in accordance with the ILF Program Instrument.

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Following the Performance Period, ILF Mitigation Projects will be managed in accordance with long-term stewardship guidelines. A Long-term Management Plan will be submitted as part of the Project Development Plan for approval by the Applicable USFWS FO.

The ILF Mitigation Project Provider will either retain ownership of ILF Mitigation Project properties or upon approval by the USFWS, transfer interests in property in part or in whole to a qualified local land manager such as a tribe, conservation district, or a non-profit land trust or other non-profit organization that has experience in conservation land management. Management costs will be estimated in the Long-term Management Plan, when necessary. Written request for long-term management funds to implement actions in accordance with the plan will need to be submitted and approved by the applicable USFWS FO as part of the approval of the ILF Mitigation Project.

Regardless of who owns the ILF Mitigation Project properties, the recorded site protection mechanism will ensure long-term protection of the site for its suitability as habitat for and support of the Indiana bat/northern long-eared bat. The site protection mechanism must grant the USFWS, ILF Mitigation Project Provider, Program Sponsor, and/or Long-term Steward access for monitoring and enforcement, and stipulate long-term protection obligations.

Evaluation and Reporting

In addition to annual monitoring reports, which describe how well individual ILF Mitigation Projects are achieving performance standards, objectives, and goals, every 5 years, the ILF Program Sponsor will review how the ILF Program as a whole is meeting the goals and objectives within each Service Area. Each USFWS FO will review and update the CFA for each Service Area as needed based on new information, changing conditions, and the effects of restoration activities completed by other programs. The ILF Program Sponsor will submit a report to the USFWS describing the progress the ILF Program has made within each Service Area/state. This report will also identify any changes that may be needed in the CPF for the ILF Program.

Compensatory Mitigation Determination Procedure

Impacts and compensatory mitigation under this ILF Program will be quantified in acres. Impacts at the Transportation Project sites and other areas where Actions occurred will be measured in acres. Any protection or improvement to species habitat in accordance with conservation priorities will also be measured in acres. It is expected that there may occasionally be compensatory mitigation projects (e.g. cave gating, mine stabilization) that may be proposed to offset impacts that will not use acres as the unit of measurement; in these instances, the Applicable USFWS FO will review for approval only if determined to have unequivocal benefit to the species and a supported quantification of the credits for the compensatory mitigation.

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The USFWS has developed compensatory mitigation ratios to offset the adverse effects of actions on the Indiana bat and to guide conservation for the species as outlined in the Programmatic BO³ or in other BOs or HCPs.

Overall, the objective of using these methods is to estimate and quantify:

- A. The loss of functions and values when take of Indiana bats/northern long-eared bat is anticipated, and
- B. The gain in functions and values that result from compensatory mitigation (preservation or restoration on a compensatory mitigation site).

Method for Determining Compensatory Mitigation

The ILF compensatory mitigation determination process will begin with the assessment of unavoidable impacts to habitat functions resulting from the proposed development or maintenance action by the Transportation Agencies (Transportation Project) or other Authorized Users (Action) that will occur in coordination with USFWS and in accordance with the associated BO or HCP. Once potential impacts are assessed, they will be quantified into acres of habitat lost at the proposed Transportation Project or Action site. To determine the number of compensatory mitigation acres needed to offset those impacts at the proposed Transportation Project or Action site, a ratio method will be used to quantify acres of functional loss to habitat (forest) at the Transportation Project or Action site to the number of acres needed to compensate for those impacts.

For Actions not covered by the Programmatic BO, the Indiana bat and/or northern long-eared bat compensatory mitigation ratios and rationale shall be described in BOs and HCPs developed for these Actions. The USFWS FO reviewing the project is responsible for determining mitigation and stacking ratios as part of its review for each Action. For each Action using the ILF Program, the USFWS/Authorized User must indicate if mitigation is needed for Indiana bat, northern long-eared bat or both species.

Once the impact has been determined for each Action, the impact information should then be multiplied by the appropriate ratio to yield the amount of compensatory mitigation in acres required for each Action or impact type. This may require applying multiple habitat types and more than one ratio depending on the size and complexity of the Project or other Action and the habitat in the project area. The local USFWS FO will assist Transportation Agencies and

³ USFWS, *Programmatic Biological Opinion for Transportation Projects in the Range of the Indiana Bat and Northern Long-Eared Bat*, 2016. Page 47-53.

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other Authorized Users in determining compensatory mitigation as necessary.⁴

Once the number of acres needed for mitigation has been determined, then the Mitigation Fee charged by the ILF Program can be determined to offset the Action. The Mitigation Fee must be approved by the USFWS FO and a confirmation letter issued by the USFWS FO prior to Transportation Project or other Action implementation and any Mitigation Fee payment to the ILF Program.

Stacking Mitigation Projects for Indiana Bat and Northern Long-eared Bat

Transportation Agencies and Authorized Users may elect to use the ILF Program as Compensatory Mitigation for Actions impacting Indiana bat, northern long-eared bat, or both. When the USFWS FO provides documentation to the Program Sponsor about a Transportation Agency or Authorized User's use of the ILF Program, the USFWS FO must indicate if the mitigation fee and mitigation acreage required is for Indiana bat, northern long-eared bat, or both.

Upon accepting the mitigation fee, the Program Sponsor will record mitigation payments in the Program ledger. The record for each payment into the ILF Program will include information on the impact Action, service area in which the impact occurred, the type of mitigation fee paid (Indiana bat, northern long-eared bat, or Indiana bat + northern long-eared bat), impact acres and mitigation acres.

There are 22 states where the range of the Indiana bat overlaps with the range of the northern long-eared bat. Additionally, the two species often occupy the same habitat; therefore, it is possible that mitigation for both species could occur on a single site. Under the ILF Program Instrument, stacking of mitigation acreage is allowed (i.e., multiple actions for one or both species could be mitigated on a single site), but each stacked acre may be used to satisfy the acreage obligation associated with an Action by only one Authorized User, as illustrated by the following examples:

Example 1:

Assume there is a state where 100 acres of Indiana bat (IBAT) mitigation is needed for multiple impact Actions and 100 acres of northern long-eared bat (NLEB) mitigation is needed from other impact Actions. The total mitigation obligation for all of these Actions is 200 acres. Even if the acres are suitable as mitigation for both species, once acreage is used for Indiana bat, it cannot be used for other permitted Actions for NLEB (this would be double dipping). If the Program Sponsor or other ILF Mitigation Project Provider identified a 200-acre parcel that was

⁴ USFWS, *Programmatic Biological Opinion for Transportation Projects in the Range of the Indiana Bat and Northern Long-Eared Bat*, 2016. Page 48.

**EXHIBIT C
 COMPENSATION PLANNING FRAMEWORK
 RANGE-WIDE INDIANA BAT AND NORTHERN LONG-EARED BAT IN-LIEU FEE
 PROGRAM**

suitable for both species, the mitigation obligation of 100 acres for each species could be satisfied through purchase or protection of the 200-acre parcel. Alternately, the Program Sponsor could purchase or protect two separate 100-acre parcels.

Example 2:

Assume based upon the hypothetical ledger below that the following mitigation obligations exist in a state where the range of the Indiana bat and the range of the northern long-eared bat overlap:

Multiple wind projects result in impacts and Mitigation Fees requiring 10 acres of mitigation for NLEB, and 15 for NLEB+IBAT. Multiple transportation and pipeline developments result in impacts requiring 75 acres of IBAT mitigation.

The Program Sponsor purchases or protects parcels with following attributes:

Parcel Name	Parcel Size (acres)	Species
A	50	IBAT + NLEB
B	50	IBAT Only

In this scenario, the 50 acres that satisfies IBAT + NLEB (Parcel A) could be credited in the following way:

- It fulfills the 10 acres of NLEB only + 15 acres of NLEB + IBAT, leaving 25 additional acres available for IBAT only or IBAT + NLEB.
- The remaining 25 acres available at Parcel A can be applied to the 75 acres needed for IBAT only, leaving 50 additional needed (from another site or project) to fulfill the full 75 acres of IBAT mitigation needed.
- Parcel B fulfills the remaining 50 acres needed for IBAT only.