



JOHN R. ALEXANDER
Chairman and CEO

ALICO, INC.

Post Office Box 338 ☐ LaBelle, Florida 33975 ☐ Office (863) 675-2966 ☐ Fax (863) 675-5799

December 13, 2007

Stu Appelbaum
U.S. Army Corps of Engineers
P.O. Box 4970
Jacksonville, FL 32232-0019

Dear Mr. Appelbaum:

This letter is in response to your request for public comments concerning the proposed final Guidance Memorandums (GMs) dated October 19, 2007. As an affected member of the Lake Okeechobee Service Area within the Caloosahatchee Basin, Alico, Inc. and its representatives have been reviewing these GMs since they were first proposed, most recently being the meeting with the South Florida Management District and the Corps on October 22, 2007.

For background information, Alico, Inc., which located its first office in LaBelle in Hendry County in 1948, can trace its land stewardship back to 1898, as a subsidiary of the Atlantic Coastline Railroad. Alico, Inc. was incorporated as a public company (symbol: ALICO) in 1960. Today, as an agribusiness and land management company, Alico is primarily engaged in the production of citrus, cattle, vegetables, sod, sugarcane and forest products, within Hendry, Collier, Glades, Lee and Polk counties.

I personally have been active in Florida farming since leaving the United States Marine Corps in 1961. I have seen the challenges that constantly face farmers in south Florida, and understand first hand the impacts on the farming business and its employees due to multiple hurricanes and drought.

Our major concern, echoed by others in the agricultural community, is the Revised Lake Okeechobee Regulation Schedule will effectively lower the Lake by one foot, with the added increase of water shortage impacts. Alico, Inc. has provided comments on this policy and has requested that the Corps place this schedule on hold and do not change the schedule at this time. We have faith that the Corps can protect the Herbert Hoover Dike through adjustments in the present operations. From what we have seen to date, it appears the Corps is unwilling to meet our request.

Now the GM has defined the Revised Lake Regulation Schedule as an "intervening Non-CERP Activity". As such, the GM resolves the Corps from any

responsibility of holding the users whole as was the intent of the Savings Clause, which set the base condition as the water sources used in 2000. We understand the Corps position, as you recently stated before the December 12, 2007 Governing Board Workshop, was that this event is not legally required to be taken into account, as the Lake Schedule is not part of CERP.

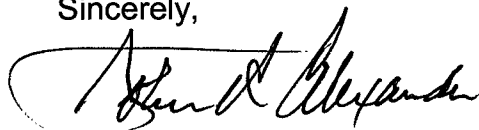
Therein lies the problem. The federal and state governments and the regulated public are actively engaged in a variety of efforts to restore the Everglades. The basic assumption of many of these efforts is focused on the implementation of CERP. CERP was in turn based on a specific schedule for Lake Okeechobee, which now appears to be altered for at least 20 plus years, if the newspaper's reporting of the dike repairs are correct. It appears then, that CERP will require a major review in order to address this new schedule.

The original reason for the GMs was set forth in the Programmatic Regulations to provide the additional "technical matters". The GMs are to be consistent with "achieving the goals and purposes of the Plan." Section 601(h) of WRDA 2000 states that the "overarching objective of the Plan is the restoration, preservation, and protection of the South Florida ecosystem while providing for other water related needs of the region including water supply and flood protection." Those Programmatic Regulations were adopted in August 2002. It is now December 2007 and the GMs are still in draft form. Due to the significant changes in the Lake Okeechobee schedule and the passage of time, it seems that the five year period for the Secretary to review and revise if necessary, the programmatic regulations is now due. It would seem as a given that the Revised Lake Regulation Schedule would be one of the "unforeseen circumstances" that the review should include. The impact of this new schedule to CERP should be addressed before the GMs are finalized.

At this point, we urge the Corps to postpone completion of the GMs until the impact of the Revised Lake Okeechobee Schedule on CERP is addressed. This will also allow the required reviews to be completed under WRDA 2007. Consistency in the public policy guiding restoration activities must be resolved by the participating partners.

On behalf of Alico, I appreciate this opportunity to provide comments on such a critical public health and safety issue, the production of quality Florida agricultural products.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Alexander". The signature is fluid and cursive, with a large initial "J" and "A".

John R. Alexander
Chairman of the Board and CEO