



Endangered Species Recovery Credits *Questions and Answers*

What is recovery crediting?

A recovery crediting system is a tool for a federal agency to benefit threatened and endangered species on non-federal lands by creating a “bank” of credits. That is, a federal agency may develop and store conservation credits that can be used at a later time to offset negative impacts of its actions. The overall system provides a net benefit to the conservation of federally protected species and offers incentives for federal agencies to reach out to private landowners and conserve imperiled wildlife.

What part of the Endangered Species Act requires federal agencies to conserve threatened and endangered species?

Under Section 7 of the Endangered Species Act (ESA), federal agencies are required to use their existing authorities to conserve threatened and endangered species and, in consultation with the Service, ensure that their actions do not jeopardize listed species or destroy or adversely modify critical habitat. Section 7 applies to management of federal lands as well as other federal actions that may affect listed species, such as federal approval of private activities through the issuance of federal permits, licenses, or other actions.

What is the goal of a recovery crediting system?

The goal of a recovery crediting system is to enhance the ability of federal agencies to promote the recovery of listed species on non-federal land and offset adverse effects to listed species from proposed actions. Ultimately, a recovery crediting system will:

- produce a net conservation benefit for the target species that advances its recovery,
- increase the flexibility of federal agencies to accomplish their missions while meeting their requirements under the ESA, and
- promote effective partnership between federal and non-federal entities

What are the benefits of using a recovery credit system?

Recovery crediting is an optional process for federal agencies to use their authorities for the conservation of listed species. Recovery credits can provide an additional choice for implementing “conservation measures,” commonly offered by federal agencies to offset impacts to listed species. Some potential benefits of a recovery crediting system include (1) better and more cost effective integration of recovery planning activities with agency activities; (2) streamlined consultation; and (3) increased predictability for all parties.

What is a recovery credit?

A recovery credit is a unit of measure representing a resource value that contributes to the recovery of a species listed under the ESA. Recovery credits are related to the implementation of recovery actions outlined in a particular species’ recovery plan or equivalent Service-approved

document. Each recovery credit may be considered to be part of recovery implementation leading towards the downlisting or delisting goals of a threatened or endangered species, taking into account the debits that have occurred.

What information will the Service use to create a recovery crediting system?

The primary source of information to establish criteria for a recovery crediting system is the species' recovery plan. Under the ESA, the Service is required to outline the goals and objectives that must be met in order to recover an endangered species. The guiding document, called a recovery plan, is a road map on how to help species recover.

How does the recovery crediting process work?

There are three main phases in establishing a recovery crediting system: establishing a recovery crediting system, developing appropriate debits, and applying the system on the ground.

Establishing a Recovery Credit Process. The first phase is to gather information on the species of concern, the threats to its existence and what actions need to occur to help the species recover. This will help determine if the species' needs can be addressed by a recovery crediting system, tools to evaluate measurable conservation benefits, and ultimately if a crediting system is even feasible and appropriate. This is where the credit will be specifically defined and assigned a value associated to the recovery of a species. Some of the criteria that could be used to establish values and priorities include the following:

- Long term habitat preservation
- Address high priority conservation needs
- Are larger in size (i.e., habitat size or quality)
- Are adjacent or in proximity to public lands or other permanently protected areas
- Target a specific geographic focus area
- Benefit multiple species
- Establish wildlife corridors

Developing a Recovery Debiting Process. The second major phase establishes the standards for credits to be used. Consideration of debits ensures that agencies maintain a net conservation benefit gained by credit accrual. In general, credits that accomplish tasks in a species' recovery plan would normally meet a net conservation benefit.

Applying the System On-The-Ground. As the recovery crediting system is implemented on the ground, it is important for the Service to remain an active participant to provide technical assistance as individual projects occur. Further, the Service will engage in Section 7 consultation on specific projects.

What is an example of a recovery crediting system?

The concept of recovery credits was developed in Texas to allow the Department of Defense (DoD) to receive credit for conserving endangered species on Fort Hood Military Reservation. Fort Hood carries out conservation measures off-base in an effort to offset adverse effects occurring on the base, which is home to the largest known population of the endangered golden-cheeked warbler within its breeding range. In exchange for implementing recovery actions, DoD

requested that these actions be considered to be banked for future use to offset impacts due to training missions.

Although the Fort Hood example is very specific and limited in scope, the general concept can be applied more broadly: federal agencies may retain credit on non-federal lands for advancing the recovery of listed species, and this credit may be exchanged, or debited, for future actions that would result in adverse effects. In other words, federal agencies may “bank” recovery credits in advance in a particular recovery crediting system and use those credits at a later time. This process can add an incentive for federal agencies to use their authorities to further the purposes of the ESA.

Why would the Service create this credit-debit system when federal entities are already mandated by the ESA to conserve endangered species?

The system is designed to assist federal agencies in meeting their obligation to conserve listed species. It gives them increased flexibility to meet that obligation, while ensuring that their actions will result in a net conservation benefit for the species involved. In addition, the system encourages collaboration with private landowners. Because the majority of threatened and endangered species occur on private land, these partnerships are critical in recovering imperiled species.

Does this recovery crediting system apply to the projects that federal agencies authorize and fund? For example, can the Army Corps of Engineers apply recovery crediting to projects they are permitting?

This draft guidance is designed to apply recovery crediting that will offset adverse effects taking place on federal land. The Service also recognizes that recovery crediting is a mechanism with broad potential application. The Service will consider public comments to expand recovery credits to entities other than federal agencies.

Who will evaluate whether or not a project qualifies for recovery crediting?

The Fish and Wildlife Service will determine whether an overall system provides net benefit to the conservation of covered species through the consultation process pursuant to section 7 of the Endangered Species Act. Recovery crediting systems will vary in details, and some listed species may not be appropriate for a credit system.

If federal agencies accrue recovery credits on non-federal lands that are not permanently protected, how will there be a net conservation benefit?

Credits accrued under a recovery crediting system may be either temporary or permanent. Temporary credits are only to be available to offset adverse effects that are also limited in duration, and the credits must be maintained until after the effects offset have been reversed. The system overall provides a net benefit to listed species.

What is a temporary recovery credit?

Many species require habitat management, research and public outreach to contribute to recovery. Thus, some credits may be temporary in nature, provided the action meets the conservation needs of the species. Temporary credits could be used to offset temporary impacts in appropriate situations that still allow a net conservation benefit. For example, many

transportation projects require temporary workspace for construction, which is later returned to pre-construction conditions. An agency could accrue credits for the restoration and temporary protection of degraded habitat to mitigate for habitat that has temporary impact, with the duration of credit based on benefits achieved at the restored site and eventual recovery of the impacted site.

How is recovery crediting different from conservation banks and habitat conservation plans?

In concept, the two mechanisms are similar. They both compensate for adverse impacts to listed species in advance of the impact. A recovery crediting system may offset either permanent or temporary impacts, unlike a conservation bank, which is based upon the establishment of a permanent reserve. A recovery crediting system also may consider temporary credits. Habitat conservation plans are a means for non-federal entities to obtain a permit to incidentally take listed species by providing for actions that minimize and mitigate the impacts. Frequently, conservation banks are a means by which non-federal entities obtain that mitigation. Recovery credit systems are a means for federal agencies to provide for conservation while being able to compensate for impacts of their actions on federal lands. Conservation banks typically involve on-site mitigation actions, while conservation efforts recovery credits are not site-specific.

Will the Fish and Wildlife Service be providing funds for those entities who participate in the recovery crediting system?

The Service views this mechanism as a means for federal agencies to use their authorities to advance the purposes of the Endangered Species Act. The Service thus anticipates that the federal action agency involved will generally bear responsibility for any needed funding. On the other hand, the guidance anticipates innovative and creative use of crediting systems under a wide array of circumstances, so that it is possible that the Service would become a source of funding for some future crediting system.

If the recovery crediting system is based on approved recovery plans, it excludes 17 percent of threatened and endangered plants and animals. Is there an alternative recovery crediting system for those species?

In the absence of an approved and current recovery plan, the guidance provides for alternative strategy documents to guide a recovery crediting system, so long as the alternative provides an adequate basis for establishing and administering the system. The guidance also explicitly acknowledges that some species will not be appropriate subjects for recovery crediting because of their biological attributes.

Since the recovery crediting system is subject to Section 7 consultation, how will the Service address the increased workload with already limited resources and staff?

The federal projects encompassed within a system would be subject to consultation requirements regardless of the existence of a crediting system. The Service anticipates that this consultation workload will actually be somewhat eased by programmatic consideration of the system in advance of individual project-level consultations.