Recovery Credit System – The Regulatory Perspective

The Recovery Credit System (RCS) was first implemented as a pilot project at Fort Hood in Texas in 2007, with the issuance of a letter of concurrence on Fort Hood's recovery credit accrual. Fort Hood is expected to be able to debit (use) recovery credits later this year through formal section 7 consultation with the U.S. Fish and Wildlife Service (Service).

Recovery Credit System Guidance was published in the Federal Register by the Service on July 31, 2008. The RCS Guidance outlines the use of recovery credits by Federal agencies through existing section 7 procedures (as described in the Endangered Species Act (ESA) and implementing regulations). Recovery credit systems may be developed for federally listed species only. A RCS must provide a net benefit to recovery for the listed species. A recovery credit is a quantifiable unit of measure recognized by the Service that represents a contribution to a species' recovery. Credits must be accrued on non-Federal lands. Recovery credits may be temporary or permanent, but the credit must match the impact. Temporary recovery credits may mitigate for temporary impacts to a species, while permanent credits may mitigate for temporary or permanent impacts. Recovery Credits may be transferred or traded among Federal agencies.

A RCS can provide a Federal agency with increased flexibility during the section 7 process by allowing for up front off-site mitigation and by allowing a Federal agency to hold or bank recovery credits for later use. Accrued or banked recovery credits that allow for Federal agencies to trade recovery credits can provide a market-type incentive and provide further regulatory flexibility for a Federal agency. The Service continues to seek out partnerships and innovative conservation programs to assist in the recovery of listed species. The Recovery Credit System is one such program and a great example of cooperative conservation involving Federal agencies and non-Federal land owners.