Recovery Credit System: Proof of Concept for GCWA

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What is a Recovery Credit System

A recovery credit system is a tool that allows a federal agency to develop and store conservation credits that can be used at a later time to offset negative impacts to listed species.
Recovery Credit System Proof of Concept for GCWA
Background: Recovery Credit System

- Developed for Fort Hood by Statewide Working Group organized by Texas Department of Agriculture.

- Policy, Economic and Science Committees

- Allows Fort Hood to secure training flexibility and reduce future training constraints

- Develops off-site “recovery credits” through contracts with private landowners
Structure
Area for “Proof-of-Concept” Project Area for Fort Hood Off-Site Conservation Program, Including the Golden-cheeked Warbler Recovery Credit System.
Implementation of Market Driven Bid Process

• Opportunity to allow for the cost of credits to reflect “true cost”
• Encouraged realistic management goals
• Allowed for flexibility in payment types
• Initial contract investment reflected “current” conservation costs
  – mimicked traditional conservation approach
• Bid Round 2 introduced competitive bidding
  – Intent of pilot was to investigate which way the trend would go once market competition was brought to bear on contract process
• End result was that market competition resulted in fair valuation and ability to build credit generation

*Not all money for contracts came from DOD (the action agency)*
Impacts of Competitive Bids

<table>
<thead>
<tr>
<th>Bid Round</th>
<th>Avg Cost/RCY</th>
<th>Avg Term</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>$1,800</td>
<td>8</td>
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<tr>
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<tr>
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<tr>
<td>8</td>
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<td>25</td>
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</tbody>
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Summary of Recovery Credit System

- Total Investment to Date: $1,954,666
- Landowner Cost Share: $451,295
- Area Under Contract ($141/acre): 13,782 acres
- Existing Occupied GCW Habitat Under Contract ($888/acre): 2201 acres
  - 938 Acres of supporting GCWA Habitat
  - 373 Acres of BCVI Habitat
- Contract Length (50% under 25 year contract): 10-25 years
Results: fledging success

Mike Marshall 2011
Final Outcome

• Third Party Review
• Completed February 2010
• First Debit 2009* using 25 year credits
  – 287 Acres
Takeaways

• Well informed science committees
• Partners
• Market driven system provides flexibility
  – More conservation on the ground
• Research component
• Adaptive management
Questions?

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