

**2016 FINDINGS AND IMPROVEMENT RECOMMENDATIONS REPORT**  
**List of Findings & Recommendations – DRAFT**

Each year, the SETT synthesizes key findings related to the CCS's operations, achievements, and challenges, along with any new science relevant to the CCS. The SETT then develops improvement recommendations for the CCS based on the findings for the SEC to consider. The following two tables contain the titles of the draft 2016 findings and improvement recommendations as of November 8, 2016.

Improvement Recommendations and Findings				
Findings		Improvement Recommendations		
Operational Finding	Description	Improvement Recommendation	Description	Significance Category
F1.	Some debit project minimization measures that are beneficial to sage-grouse are not currently incentivized by the Credit System.	IR2.	Appropriately reduce credit obligations for debit projects that implement durable minimization measures beneficial to sage-grouse.	Major
F2.	Unanticipated and uncommon aspects of credit and debit projects are expected to arise that will not be appropriately handled by the Credit System.	IR5.	Establish a standard variance process to address unanticipated and uncommon aspects of credit and debit projects not appropriately handled by the Credit System.	Moderate
F3.	Application of the HQT requires many manual steps that are described in tremendous detail, however, unintentional and intentional erroneous application of the HQT by users can cause inaccurate results.	IR11.	Automate portions of the HQT GIS process in order to reduce inaccurate HQT results, increase efficiency of applying the HQT and reduce administrative quality assurance costs.	Minor
F4.	Assisting Credit Developers and Credit Buyers, and ensuring credit and debit projects fulfill the requirements of the Credit System, requires meaningful SETT resources.	IR3.	Establish administrative fees that fully or partially recover SETT administrative costs.	Major
F5.	There is significant interest by Credit Developers and Credit Buyers to participate in the Credit System considering the significant regulatory and emerging market uncertainty related to the Credit System.	None	There are no improvement recommendations related to this finding at this time. The SETT will continue efforts with USFWS to develop assurances related to the CCS.	--
F6.	Current verification processes for credit and debit projects need to be more clearly defined, and there are opportunities to make them more practical.	IR6.	Revise credit and debit project verification policy so that processes are practical and produce quality results.	Moderate
F7.	Developing credits on public lands is expected to be necessary to fulfill expected mitigation obligations and more effectively contribute to the conservation of sage-grouse, and BLM and USFS are committed to working with the State of Nevada to enable generation of credits on public lands.	IR13.	Invest SETT and contractor effort to collaborate with credit developers and BLM to define improvements to Credit System necessary to generate credits on public lands.	Minor
F8.	Long-term management and monitoring financial assurance obligations and verification fees for each credit project must be correctly determined early in the credit generation process.	IR10.	Use new and revised forms and templates, protocols, and tools developed in order to facilitate generation, acquisition and transfer of credits.	Minor
F9.	BLM's Sage-grouse Mitigation Framework currently under development appears to be thoroughly supportive of state-developed mitigation programs, and specifically of the policies and HQT underlying the Credit System.	None	There are no improvement recommendations related to this finding at this time.	--
Research and Monitoring Finding	Description	Improvement Recommendation	Description	Significance Category
F10.	The habitat function of credit and debit projects, and thus credit estimates, credit obligations, and performance verification, are significantly influenced by inter-annual variability associated with climatic conditions and the timing of grazing relative to field data collection.	IR4., IR7.,IR12.	IR4.: Evaluate credit invalidation or remediation based on site-specific, objective-based performance measures as opposed to aggregate HQT scores for the site.	Moderate
			IR7.: Incorporate timing of grazing into the permissible window for field data collection guidelines.	Moderate
			IR12.: Invest SETT and contractor effort to collaborate with federal and state agency and other partners to evaluate opportunities to improve site-scale habitat function quantification.	Minor
F11.	The HQT Methods Document was not updated with the revised process for reclassifying the HSI layer adopted the SEC in December 2015 and the associated scoring curve.	IR14.	Revise HSI scoring curve to appropriately score HSI values associated to credit and debit projects.	Minor
F12.	The HSI and Conifer Benefits Removal Index does not appropriately reflect the presence or benefit of removing conifer.	IR8.	Apply revised conifer cover evaluation procedure to all credit and debit projects.	Moderate
Findings to be determined		Improvement Recommendation	Description	Significance Category
--	TBD	IR1.	Designate areas within both SFAs and PHMA as Preferred Conservation Areas, which are previously defined in the Manual, in order to incentivize enhancement and protection of the highest priority habitat.	Major
--	TBD	IR9.	Incorporate editorial corrections and improvements to Manual and HQT Methods Documents that increase the understandability and clarify the original intent of the documents.	Minor