

typically are not delisted within ten years.

*Our Response:* The ten-year time frame was chosen for the Draft Economic Analysis because, as the time horizon for an economic analysis is expanded, the assumptions on which the projected numbers of projects are based become increasingly speculative. As a result, it is difficult to predict not only the numbers of projects, but also the cost estimates for the associated consultations, beyond a ten-year window. Consequently, any attempt to extend the economic analysis beyond the ten-year time window would be speculative.

*Comment 77:* The use of a "national economic model" in the economic analysis does not apply to Wyoming because local factors affect their economy differently than other areas of the nation.

*Our Response:* The Draft Economic Analysis utilized a cost model to estimate the administrative costs associated with technical assistance efforts, informal, and formal consultations. This cost model was developed using historical section 7 files from a number of Service field offices around the country. However, this model was used as the basis for cost estimates only in instances where area- and species-specific costs were not available. The reliance of the Draft Economic Analysis on area- and species-specific cost estimates, where available, reflects the use of the best commercial information available and consideration for the socioeconomics of the area.

*Comment 78:* The Draft Economic Analysis excluded an analysis of the lost opportunity costs when agricultural landowners forgo Federal operational and conservation funding in order to avoid a Federal nexus, and therefore consultation with the Service.

*Our Response:* While this may be an issue for some individual landowners, overall use of operational and conservation funding within the region is not expected to change as a result of the designation. The Natural Resources Conservation Service has confirmed that Federal operational and conservation funding rarely goes unused in this region, and that any forgone funding will likely be used by other landowners within the same county.

*Comment 79:* The designation of critical habitat will cause decreased land values in Wyoming. The proposed critical habitat designation may impose operational costs on agricultural activities that may affect the value of land sold for agricultural purposes, and the proposed designation may result in

decreased values associated with the speculative nature of agricultural lands (*i.e.*, potential for sale and conversion to an alternative use, such as residential development).

*Our Response:* A variety of factors impact the value of land in Wyoming, including climate, elevation, water rights, population density, recreation and scenic values, and timber, mineral, and oil and gas resources. Furthermore, the demand for agricultural lands has increased slightly due to increased interest in agricultural lands for alternative uses, such as "development potential, recreation, or scenic rural homes." Proposed critical habitat for the Preble's is likely to have only a modest impact on agricultural operations and the value of lands sold for agricultural purposes. The value of agricultural lands will be greatly reduced if farmers and ranchers cannot irrigate their lands. However, there will likely be no impacts to agricultural operations and land values as long as the 4(d) rule remains in effect. While there is growth pressure in these counties, a speculative impact on land values is not anticipated because proposed critical habitat is located a significant distance from town centers and is thus not experiencing development pressure. Therefore, impacts to the speculative value of lands within proposed critical habitat for the Preble's are also anticipated to be modest.

*Comment 80:* The Draft Economic Analysis excluded a discussion of impacts incurred by landowners operating under the special 4(d) rule.

*Our Response:* We were unable to identify any impacts experienced by landowners under the 4(d) rule. It appears that landowners would only experience a decrease in land values and profits following the expiration of the special 4(d) rule. Many landowners are relying on an extension of the 4(d) rule to avoid future adverse impacts to agricultural operations and irrigation ditch maintenance activities due to protections for the Preble's.

*Comment 81:* The Draft Economic Analysis excluded a discussion of several land use activities that may be impacted by the designation of critical habitat for the Preble's. Public comments provided input on costs associated with activities at F.E. Warren Air Force Base in Wyoming, construction of new utility lines, development of HCPs, construction of new dams and reservoirs, aggregate mining, Forest Service activities including development of Forest Management Plans.

*Our Response:* The Addendum to the Economic Analysis analyzes costs

associated with the above activities and, where appropriate, provides modified cost estimates that reflect issues raised in public comments.

*Comment 82:* The protection of Preble's habitat may provide benefits to the public associated with improved ecosystem services, particularly services provided by riparian habitat areas (*e.g.*, habitat for fish and wildlife, erosion control).

*Our Response:* While the Draft Economic Analysis acknowledges that such benefits are likely, the analysis concludes that they cannot be monetized due to a lack of information linking project modifications for the Preble's to a quantifiable future environmental change.

*Comment 83:* The Draft Economic Analysis indicates that increasing the quantity of open space (*i.e.*, greenbelts, wetlands, wildlife corridors, and riparian areas) in a community can lead to enhanced residential property values. Open space already exists in Wyoming, precluding benefits associated with preserving open space in that State.

*Our Response:* The Draft Economic Analysis only assigns potential open space benefits to the areas of proposed designation in Colorado where a relative scarcity of open space enhances its value. We acknowledge the abundance of open space in Wyoming.

*Comment 84:* The Draft Economic Analysis should have utilized "benefits transfer" as a means to quantify the potential benefits associated with preserving open space.

*Our Response:* The Draft Economic Analysis considered the possibility of transferring the economic values obtained from the literature and applying them to the case of critical habitat for the Preble's. To accurately estimate economic impact through a benefits transfer approach the economic studies must demonstrate adherence to an agreed-upon set of standards or protocol to ensure reliability of results, and the attributes of the environmental good being valued by the study must be substantially similar to the attributes of critical habitat designation for the Preble's. The literature referenced in the Draft Economic Analysis provides examples of society's marginal willingness to pay for changes in open space. However, the values reflect a variety of open space attributes and housing market conditions, none of which are substantially similar to the policy question at hand. Data do not exist to accurately translate these values to areas that may be affected by critical habitat designation in Colorado. Therefore, application of benefits