

agreements to voluntarily restrict development to avoid redistricting). The final economic analysis estimates that landowners may spend between \$50,000 and \$181,000 to investigate the implications of critical habitat on their land. The economic analysis also estimates that the critical habitat designation could cost between \$175,000 and \$525,000 for State and county environmental review (conducting a State Environmental Impact Statement (EIS) instead of an Environmental Assessment), although some of these costs may be incurred in any case, as some projects might require an EIS without critical habitat designation.

The final economic analysis also discusses most economic benefits in qualitative terms rather than providing quantitative estimates because of the lack of information available to estimate the economic benefits of endangered species preservation and ecosystem improvements. While the quantitative estimates provided in the analysis are speculative, the economic analysis estimates that federally funded section 7 related project modifications could generate an undetermined percentage of \$83 million to \$109 million over 10 years.

A more detailed discussion of our economic analysis is contained in the draft economic analysis and the addendum. Both documents are available for inspection at the Pacific Islands Fish and Wildlife Office (see **ADDRESSES** section).

No critical habitat units in the proposed rule were excluded or modified because of economic impacts because the cost of the designation is not expected to be significant. The likely direct cost impact of designating critical habitat on Hawaii for the 41 plant species is estimated to be between \$4.7 and \$6.3 million per year over the next 10 years. This estimate, however, includes areas that were proposed as critical habitat but have been excluded under section 4(b)(2) of the Act (see below). Therefore, the anticipated direct costs of designating critical habitat of these 41 species is less.

Approximately 337 ha (833 ac) of State and private lands within two proposed critical habitat units (proposed Units Y1 and Y2) are excluded because the economic impacts of their inclusion outweigh the benefits provided by a designation of critical habitat. The economic analysis indicates that activities already planned for these two proposed units, including the State VOLA master planned community with over 1,000 units of affordable housing, the Kaloko Properties projects and the

Kealakehe 2020 environmental remediation project could incur direct costs of over \$5 million and indirect costs ranging between \$87 and \$104 million. While there is no certainty that any or all of these indirect costs would be incurred, these figures are illustrative of the order of magnitude of the indirect impacts that could occur from the designation.

(1) Benefits of Inclusion

These areas proposed for development or other uses are within proposed units Y1 and Y2. Proposed unit Y1 absent this exclusion would consist of 426 acres of private land as critical habitat for *Isodendron pyriform* and 405 largely identical acres of private land for *Neraudia ovata*. It is currently unoccupied by *Isodendron pyriform*, and contains 2 *Neraudia ovata* plants. Proposed unit Y2 absent this exclusion would consist of 406 acres of State land for *Isodendron pyriform* and 334 largely identical acres for *Neraudia ovata*. It is currently occupied by 8 individual *Isodendron pyriform* plants, and is unoccupied by *Neraudia ovata*.

Critical habitat for *I. pyriform* was designated on Oahu (habitat for three populations), Molokai (habitat for one population), Maui (habitat for two populations); for *N. ovata* on two other locations in Hawaii. Habitat is also provided for four populations of this species on the excluded lands at PTA, as discussed later in this section. (See "Descriptions of Critical Habitat Units").

If these areas were designated as critical habitat, any Federal agency which proposed to approve, fund or undertake any action which might adversely modify the critical habitat would be required to consult with us. This is commonly referred to as a "Federal nexus" for requiring the consultation. If the area in question were not occupied by the plants, this consultation would not be required absent the critical habitat designation. If the action affected an area occupied by the plants, consultation would be required even without the critical habitat designation. As indicated above, these two units are each occupied by one small population of one species of the listed plants.

The draft economic analysis and final addendum indicate only one project associated with the exclusions within the pre-exclusion boundaries of these proposed units that is likely to have the required Federal nexus, environmental remediation of an old landfill by the non-profit Kealakehe Ahupua'a 2020 organization (K2020). The landfill

adjoins the pre-exclusion boundaries of proposed unit Y2 on 3 sides, and has internal fires. K2020 plans to secure Federal grants to remediate the site, including extinguishing the fires.

This will require use of unoccupied habitat within the proposed boundary of unit Y2 for the landfill material while the remediation is conducted. The economic analysis further indicates that this project will be to the long-term benefit to the listed plants by reducing the possibilities of wildfires. However, it is anticipated that as mitigation for the temporary loss of this portion of the critical habitat, the K202 group would be required to obtain funding to manage two preserves to be established elsewhere within this proposed unit (see "Benefits of Exclusion" below) at a cost of \$5.1 million over the next 10 years.

Apart from this project a critical habitat designation will not directly protect the areas proposed for exclusion from any planned development, due to the lack of any known or anticipated "Federal nexus" for such development. However, the plants themselves are protected against "take" under State law, and thus the areas in which the plants are currently found are unlikely to be developed.

Another possible benefit of a critical habitat designation is education of landowners and the public regarding the potential conservation value of these areas. This may focus and contribute to conservation efforts by other parties by clearly delineating areas of high conservation values for certain species. However, we believe that this educational benefit has largely been achieved. These units have already been identified through the proposal and final designation. In addition, the State has included a preserve for listed plants within its VOLA development project which will contribute to the long-term educational benefit of conserving the habitat of these species (see "Benefits of Exclusion" below).

In summary, we believe that a critical habitat designation for these two plant species would provide relative low additional Federal regulatory benefits. Except for the project discussed above, there is no Federal activity which might trigger the section 7 consultation process for these species known or anticipated for the lands to be excluded. The additional educational benefits which might arise from critical habitat designation are largely accomplished through the notice and comments which accompanied the development of this regulation, and the proposed critical habitat is known to the landowners. In addition, the State is planning for a