

landowners, geographic areas, and species involved, we believe the Queen Liliuokalani Trust lands in proposed unit Hawaii Y2 merit this evaluation.

(1) Benefits of Inclusion

Critical habitat in the Queen Liliuokalani Trust portion of proposed unit Hawaii Y2 was proposed for *Isodendron pyriform* and *Neraudia ovata*. The primary direct benefit of inclusion of this portion of proposed unit Hawaii Y2 as critical habitat would result from the requirement under section 7 of the Act that Federal agencies consult with us to ensure that any proposed Federal actions do not destroy or adversely modify critical habitat.

Historically, we have conducted two formal and 21 informal consultations under section 7 on the island of Hawaii for any of the 47 plant species. None were for Queen Liliuokalani Trust land. As a result of the low level of previous Federal activity on Queen Liliuokalani Trust land, and after considering the likely low probability of Federal activities that might occur on this land (no anticipated Federal permits or funding), we think that there is likely to be a low number of future Federal activities that would negatively affect habitat on the Queen Liliuokalani Trust portion of proposed critical habitat (DEA 2002). Therefore, there is a low regulatory benefit of a critical habitat designation in this area.

Another possible benefit is that the designation of critical habitat can serve to educate the public regarding the potential conservation value of an area, and this may focus and contribute to conservation efforts by other parties by clearly delineating areas of high conservation value for certain species. Any information about these two species and their habitats that reaches a wide audience, including other parties engaged in conservation activities, could have a positive conservation benefit.

While we believe this educational outcome is important for *Isodendron pyriform* and *Neraudia ovata*, we believe it has mostly been achieved. Through the proposal of critical habitat, proposed unit Hawaii Y2, including the portion that lies within Queen Liliuokalani Trust land, has been identified as essential to the conservation of two of the 47 plant species addressed in this rule. In addition, the proposed conservation activities to be conducted within proposed unit Hawaii Y2, assisted by the Service, demonstrates that the landowner is already aware of the importance of this area for the

conservation of these two species. It is anticipated that other portions of the general public will likewise be better informed of the value of this area as Queen Liliuokalani Trust implements conservation activities on this land.

In sum, we believe that a critical habitat designation for listed plants on Queen Liliuokalani Trust land would provide a relatively low level of additional regulatory conservation benefits to *Isodendron pyriform* and *Neraudia ovata*. Any regulatory conservation benefits would accrue through the benefit associated with section 7 consultation associated with critical habitat. Based on a review of past consultations and consideration of the likely future activities in this specific area, we determined that there is little Federal activity expected to occur on this privately owned land that would trigger section 7 consultation.

(2) Benefits of Exclusion

While the economic analysis concludes the designation of critical habitat on Queen Liliuokalani Trust land would not prevent them from developing their property, the analysis assumes it is reasonably foreseeable that the designation could cause a delay in development approvals as additional environmental studies may be conducted, and State and county officials investigate the implications of critical habitat on the property. The value of the loss of this potential delay is estimated to be between \$13.8 and \$21.6 million.

In addition, proactive voluntary conservation efforts are necessary to prevent the extinction and promote the recovery of these listed plant species on the island of Hawaii and other Hawaiian islands (Shogren *et al.* 1999; Wilcove and Chen 1998; Wilcove *et al.* 1998). Consideration of this concern is especially important in areas where species have been extirpated and their recovery requires access and permission for reintroduction efforts (Bean 2002; Wilcove *et al.* 1998). For example, since both species associated with proposed unit Y2 are extirpated from Queen Liliuokalani Trust land, repopulation is likely not possible without human assistance and landowner cooperation.

Under the terms of its January 17, 2003, proposal to the Service, Queen Liliuokalani Trust has agreed to implement a voluntary conservation partnership with the Service which will benefit these species. The conservation partnership includes the following: (1) The Trust is willing to partner with us on a propagation project for the *Isodendron pyriform* under a Service cost-sharing agreement. The Trust will

contribute up to \$10,000 toward the propagation research project to be conducted by an expert acceptable to both Queen Liliuokalani Trust and the Service. The trust will also integrate this effort with its cultural and educational programs with children and develop a curriculum similar to one at Kaala Farms in Waianae on Oahu, an island where *Isodendron pyriform* was historically found; (2) the Trust agrees to set aside for outplanting 21 ha (53 ac) of land, consisting of 10 ha (25 ac) in the northern portion of the Queen Liliuokalani Trust property and 11 ha (28 ac) in the southeast portion. The Trust will also allow for the reintroduction of *Isodendron pyriform*, *Neraudia ovata*, and other endangered species that may be found and/or reintroduced on the property into the designated 22 ha (53 ac). These conservation measures are consistent with recovery of these species.

We believe that both of the species for which proposed unit Hawaii Y2 was originally proposed will benefit from these management actions. The primary benefits are the voluntary propagation and eventual reintroduction of species currently extirpated from this area.

The conservation benefits of critical habitat are primarily regulatory or prohibitive in nature. But, on the island of Hawaii, simply preventing "harmful activities" will not slow the extinction of listed plant species (Bean 2002). Where consistent with the discretion provided by the Act, we believe it is necessary to implement policies that provide positive incentives to private landowners to voluntarily conserve natural resources, and that remove or reduce disincentives to conservation (Wilcove *et al.* 1998). We believe that a voluntary conservation agreement has the highest likelihood of success if critical habitat is not designated as currently proposed because the landowner believes there is an unacceptable risk that the critical habitat designation will result in a decrease in Queen Liliuokalani Trust's ability to remain economically viable. If so, they would lose the ability to generate enough income for programs that benefit orphan and destitute Hawaiian children. We believe that the landowner's concerns over these potential negative impacts, should critical habitat be designated, would affect its voluntary conservation efforts, which we believe are necessary to conserve these species.

Thus, we believe it is essential for the recovery of *Isodendron pyriform* and *Neraudia ovata* to instigate voluntary conservation activities such as these that would otherwise not have occurred