

containing the PCEs (where identifiable) were excluded from the final designation.

We recognize that not all specific areas designated as critical habitat are occupied by the vernal pool species addressed in this rule, in that we included portions of localized upland watershed areas that we have determined to be essential to the conservation of the vernal pool species and their habitat. However, these upland areas are within the geographic range occupied by each of the respective species resulting in our designation being in compliance with section 3(5)(A) of the Act.

Comment 29: One commentor believes that habitat monitoring results from Camp Roberts can be used to understand the effects of land use activities on other areas outside the military base.

Our Response: Following a review of the reports related to the habitat monitoring at Camp Roberts, we believe that the reports provide limited insight into the effects of land use activities off the base because the activities discussed in the reports are predominantly military specific such as the use of large, tracked military vehicles. Other studies addressed in the reports examine effects associated with grazing activities may have relevance to areas outside the base boundary. Results from these studies have been taken into consideration in the development of this designation.

Issue 6—Economic Analysis

Comment 30: Several commenters stated that the economic analysis fails to recognize other Federal funding (e.g., farming subsidies) which may provide nexuses and therefore, resulting in the need for additional consultations triggered solely by the designation.

Our Response: The economic analysis focuses on the principle economic areas that could be potentially effected by the designation of critical habitat. In the preface of the economic analysis, we made an attempt to forecast the effects of future section 7 formal consultations resulting from the proposed designation of critical habitat. The 20-year future forecast was based on the history of formal consultation with Federal agencies occurring to date. Historically, we have had no consultations regarding vernal pool complexes, farming activities, and any nexus with the Farm Service Agency. However, if the Farm Service Agency were to fund, authorize, permit, or conduct activities that may adversely effect designated critical habitat, then they are required to consult with us pursuant to section 7 of the Act on those activities.

Comment 31: Several commenters stated that the economic analysis neglects to consider all impacts potentially resulting from the designation of critical habitat for the 15 vernal pool species. Specifically, commenters expressed concern that the economic analysis: (1) Minimizes potential impacts and costs that may result from the designation; (2) is based on unreasonable assumptions that are incomplete and outdated; (3) fails to analyze impacts on federally authorized water activities; and (4) understated the economic impact to the agricultural industry and ranching operations, and focused on urban effects to local economies and not that of the agricultural.

Our Response: In developing the draft economic analysis of the proposed designation, we attempted to provide the best analysis of the measured differences between the world with and without the designation of critical habitat for the 15 vernal pool species. Impacts considered in the analysis include costs associated with section 7 consultations for reasonably foreseeable activities, such as real estate development, highway construction and maintenance, and the supply and delivery of water. Data to predict reasonably foreseeable activities were obtained from proposed plans currently available to the public, discussions with staff at Federal and State agencies, and local governmental jurisdictions, and urban growth projections such as the California Urban Biodiversity Assessment (CURBA) model. Estimated costs associated with section 7 consultations are composed of both administrative costs and project modification costs. Indirect costs were also considered in the economic analysis, including costs associated with the delay of planned real estate development to address critical habitat issues as well as property value effects associated with regulatory uncertainty. The final economic analysis considered many of the comments submitted by the public and accordingly made several changes to the estimates of the above impacts. In addition, the final economic analysis also included a new component of potential economic impact—losses in consumer surplus that may be associated with a foreseeable reduction in the number of new homes built because of the designation. We disagree with the viewpoint that the economic analysis focuses on urban effects and not agriculture or rural effects. All effects were considered, however the greatest economic impact is likely to occur in those areas where land is

constrained and less substitute land is available for economic activities that otherwise would destroy vernal pool habitat but for the designation of critical habitat. This assessment was based upon: (1) The history of formal consultations under section 7 of the Act, to date, on locations and activities that resulted in affects to vernal pool species and their habitat; and (2) because the majority of vernal pool habitat losses expected to occur within 20 years are anticipated to occur as a result land conversions from agricultural or rural to urban as the local economies develop and bid up the value land based on its best use.

Comment 32: Several commenters stated that the economic analysis does not assess impacts on proposed or permitted HCP/NCCPs.

Our Response: The economic analysis does not address the effects of designation of critical habitat on any permitted HCP, NCCP/HCP or proposed HCPs or NCCP/HCPs. We believe the designation of critical habitat for the 15 vernal pool species will not result in significant additional regulatory impacts to any currently permitted HCPs or NCCP/HCPs having covered federally listed vernal pool species. Those plans have sufficient biological conservation for covered vernal species and their aquatic and associated upland habitats to avoid adverse modification of critical habitat. Additionally, we believe that the proposed HCPs and NCCP/HCPs that cover vernal pool species also provide sufficient biological conservation of vernal pool species and their habitats to support the long-term vernal pool species conservation. Please refer to our discussion of HCPs under Relationship of Critical Habitat to Habitat Conservation Plans later in this rule.

Comment 33: Several commenters stated that the economic analysis does not assess cost of removal of critical habitat through future rule makings.

Our Response: The scope of our economic analysis is to reasonably assess the potential cost that may result from the proposed designation so as to provide the Secretary information to be used in the development of this final agency action. We do not take into consideration any potential costs that may occur from future modification or revisions to this designation. Those potential costs, if the designation were to be revised, are not in the scope of this analysis and would be addressed at the time of the rulemaking for those revisions.

Comment 34: Several commenters stated that the economic analysis does not assess the costs to project