

activities that are likely to incur the greatest economic impacts. In particular, the analysis focuses on recreational and commercial boating activities likely to be affected by the rule. We believe that the rule will lead to changes in recreational activities based on increased travel time and may cause some consumers to forgo some activities. The economic impacts associated with these changes are above-and-beyond those associated with the system of State-designated manatee protection areas already in place in each of the manatee refuges established in this rule. For example, some impacts associated with manatee protection areas in the Caloosahatchee River are already occurring because of existing slow speed zones implemented by the State beginning in 1979. The economic impacts of this rule are related only to the inconvenience of travel time that is additional to these existing slow speed zones. We do not expect that changes in consumer activity related to these additional speed zones would result in significant economic impacts. Moreover, based on further review by the Service and in response to various comments, the extent of the speed zone restrictions initially proposed has been reduced in the final rule. Therefore, we continue to believe that the economic impact of the speed zones in the final rule will not be significant (*i.e.*, over \$100 million annually).

We consider only economic impacts associated with this rule. Comments that discuss the overall contribution of industries in general do not describe the effects of this proposed rule specifically. In addition, the analysis estimates impacts on a broad geographic area. Comments that provide information on the impacts to specific sites that cannot be generalized to the broad geographic area are not able to be incorporated into the current analysis.

*Comment 57:* One commentator noted that popular activities such as water skiing and wakeboarding will not be possible along the entire length of the Caloosahatchee River.

*Response 57:* The analysis acknowledges that some recreationists may have to travel farther to participate in certain activities or may choose to forgo some activities. However, the speed zone restrictions imposed by the rule do not preclude participation in any recreational activities. Further, based on Caloosahatchee River data, the major use of the river is for travel and not waterskiing or wakeboarding (Gorzalany, 1998). Thus, it is unlikely that including the number of forgone waterskiing and wakeboarding trips resulting from the rule would result in

a determination of significant economic impact. Moreover, based on further review by the Service and in response to various comments, the speed zone restrictions initially proposed for the Caloosahatchee River and San Carlos Bay have been reduced in the final rule. Therefore, the number of forgone waterskiing and wakeboarding trips are expected to be minimal, and we continue to believe that the economic impact of the speed zones in the final rule will not be significant.

*Comment 58:* One commentator stated that Clay County is unlikely to experience any benefits due to an increase in tourism related to manatee viewing because of the shallow and/or brackish nature of the water.

*Response 58:* While the brackish nature of Doctors Lake and the shallow waters of St. Johns River do not lend themselves to manatee viewing as well as clear, deep water, there are currently manatee viewing points in these areas within the proposed designated manatee protection areas. Economic benefits related to increased tourism resulting from increased manatee protections afforded by this rule are indeed expected to be small, if any occur. The rule does not attempt to quantify these benefits, or to assign them to a particular area; however, we believe that such benefits may occur as a result of this rule.

*Comment 59:* One commentator stated that consumer surplus is not defined in the proposed rule.

*Response 59:* Consumer surplus is an economic measure based on the principle that some consumers benefit at current prices because they are able to purchase goods and services at a price that is less than their total willingness to pay for the good. For example, boaters may incur consumer surplus benefits when they can drive at faster speeds on the water because their enjoyment of the boating experience increases. Due to lack of available data, the Service did not quantify the net change in consumer surplus resulting from this rule.

*Comment 60:* One commentator believes that it is incumbent upon the Service to perform a cost-benefit analysis in order to determine whether the economic impact of the rule is over \$100 million.

*Response 60:* Agencies should assess the potential costs and benefits of significant regulatory actions. Accordingly, the Service has performed a preliminary economic analysis and determined that the economic impact of designating three additional manatee protection areas will not be significant (*i.e.*, over \$100 million annually).

However, a qualitative discussion of the likely costs and benefits is found in the Required Determinations section of the preamble. As was noted in the proposed rule, and supported by statements of several commentators, existing manatee protection regulations in the affected areas are already extensive. Based on further review by the Service and in response to various comments, the speed zone restrictions proposed have been reduced in the final rule.

Therefore, we continue to believe that the economic impact of the speed zones in the final rule will not be significant.

*Comment 61:* A number of commentators were concerned that the proposed rule would affect property owners' ability to build docks on their property.

*Response 61:* This rule establishes three manatee protection areas. In so doing, we are regulating the speed at which boats can travel in certain waters in five counties in Florida. This rule in no way affects property owners' ability to build a dock on their property. The Service considers it unlikely that property owners would choose not to build a dock on their property as a result of this rule.

*Comment 62:* A number of commentators were concerned that the proposed rule would negatively affect property values. In addition, one commentator noted that, despite the introduction of slow speed zones in the Tomoka and Halifax Rivers, property values have continued to increase. Several commentators believe that property values will increase as a result of the rule. Another commentator noted that property values on Doctors Lake have risen considerably over the past 10 years during which time slow speed zones have been established in the lake. Another commentator stated that the impact of the rule could be greater than \$100 million based on the belief that the rule could cause 200 people each to decide not to spend \$500,000 on a home in Cape Coral because of the rule.

*Response 62:* We determined the economic impact of the proposed rule by considering the net effect of the rule on the housing market. The analysis is not based on a single site-specific study. However, we do believe that more information is needed to better understand the impact of manatee protection areas on property values in specific areas. Given the timeframe of the analysis, performing primary research such as an original study of property values is not feasible.

*Comment 63:* One commentator stated that our analysis was based on the Bell and McLean (1997) study, which they believe is suspect and out-of-date.