



4 May 2004

John Young
Bull Trout Coordinator
U.S. Fish and Wildlife Service
Ecological Services
911 N.E. 11th Avenue
Portland, Oregon 97232

Dear Mr. Young:

The Montana Chapter of the American Fisheries Society (MCAFS) would like to take this opportunity to comment on the draft Economic Analysis for bull trout critical habitat designation in the Columbia and Klamath drainages. As you may recall, our Chapter provided recommendation and biological information to assist the U.S. Fish and Wildlife Service (Service) with determination and designation of critical bull trout habitat to protect areas of habitat that are critical for conservation and recovery efforts. We are pleased that the Service agreed with all of our proposed critical bull trout habitat recommendations in Montana and range-wide, which will protect all life history strategies and critical populations and the habitats on which they depend.

The bull trout habitat designation process requires that the Service conduct an economic analysis to quantify costs and benefits of designation of critical bull trout habitat. The total range-wide cost estimate is \$230 to \$300 million over 10 years (\$22-30 million per year), and the total costs in Montana (Clark Fork and Kootenai recovery units) are estimated to be between \$1.6 and \$2.5 million per year. This includes ongoing activities specifically related to the 1998 listing action and the proposed critical habitat designations. We believe that the estimated costs are generally reasonable considering that the critical habitat proposal encompasses over 18,000 miles of stream and over 500,000 acres of lakes. Most of these costs are associated with agency actions and policies, which are already occurring to recover bull trout populations in the Columbia and Klamath drainages.

We believe that the draft Economic Analysis provides a good starting point to estimate the economic *costs* associated with designation of critical bull trout habitat and recovery efforts. However, the draft economic analysis fails to address and quantify estimates of the *benefits* associated with these actions. We believe that this is a major flaw in the analysis, as economic assessments should include both the economic costs and benefits of regulatory actions. Clearly, protecting critical bull trout populations and the habitats on which they depend will benefit the public by providing recreational opportunities and economic gains to local communities. Further, recovery measures are intended to lead to

delisting the species, which will eventually eliminate the estimated costs reported in the draft analysis, as well as the inherent costs associated with NEPA analysis for land management activities within the range of ESA-listed species. We understand that the estimate of the economic benefits for bull trout recovery and designation of critical habitat was removed from the draft document. We, therefore, urge the Service to provide estimates of the economic benefits associated with critical habitat designations and recovery efforts in order to provide an accurate and comprehensive economic analysis.

Most of the estimated costs associated with listing critical bull trout habitat are already occurring due to the existing bull trout threatened species listing (1998). The draft economic analysis, however, does not separate costs associated with designation of critical habitat with those already incurred by the listing of bull trout in the Columbia and Klamath basins in 1998. We recommend that the Economic Analysis separate these costs or change the title of the document to include both recovery actions and designation of critical habitat.

Over 60 percent of the area proposed for critical bull trout habitat has previously been classified as critical salmon and steelhead habitat. Costs associated with actions to recover bull trout also overlap with a variety of other aquatic species (cutthroat trout and sturgeon) and terrestrial species (grizzly bear, lynx, gray wolves) and provide many benefits to other natural resources that are not quantified in the draft analysis. We recommend that these costs be subtracted from the economic analysis.

The Bonneville Power Administration analyzed the economic implications of implementing VARQ at Hungry Horse and Libby Dams. Implementation of VARQ at Hungry Horse and Libby Dams is specifically intended to benefit the threatened bull trout and endangered white sturgeon. BPA determined that the operations would result in a net increase in power revenue averaging \$5.1 million per year over a 50-year period of analysis. Therefore, the economic costs for the Kootenai and Flathead systems should reflect these economic gains, which will result in a net economic increase for these recovery units.

We appreciate the opportunity to comment on the draft economic analysis for designation of critical bull trout habitat. The bull trout represents a valued cultural and economic heritage in the United States. The critical habitat designation process is an opportunity to provide a regulatory process to sustain and protect our natural heritage for future generations. We strongly urge your agency to consider our recommendations that we believe will provide an accurate and comprehensive economic analysis of critical bull trout habitat designation in Montana and range-wide.

Sincerely,

A handwritten signature in cursive script that reads "Clint Muhlfeld". The signature is written in black ink and is positioned below the word "Sincerely,".

Clint Muhlfeld, President-Elect