

ARIZONA MINING REFORM COALITION, ARIZONA WILDERNESS COALITION, CENTER FOR BIOLOGICAL DIVERSITY, COALITION FOR SONORAN DESERT PROTECTION, EARTHWORKS, FRIENDS OF MADERA CANYON, HIGH HAVEN CATTLE RANCH, MOUNTAIN EMPIRE ACTION ALLIANCE, PATAGONIA AREA RESOURCE ALLIANCE, SAVE THE SCENIC SANTA RITAS, SIERRA CLUB, SKY ISLAND ALLIANCE, RANCHO SOÑADO LLC, MOLLY ANDERSON, MORRIS FARR, CATHERINE COLE FERANDELLI, NEAL AND DIANE HANNA, DR. STAN HART, QUENTIN LEWTON, MARIGOLD LOVE, ANNIE MCGREEVY, CASEY MCINNIS, ROGER MCMANUS, ELIZABETH MURFEE, GREGORY AND CAROL SHINSKY, DAVID STEELE

August 9, 2013

Public Comments Processing
Division of Policy and Directives Management
U.S. Fish and Wildlife Service
4401 N. Fairfax Drive, MS 2042-PDM
Arlington, Virginia 22203

ATTENTION: FWS-R2-ES-2012-0042
Draft Economic Analysis for
Proposed Designation of Critical Habitat for Jaguar

Dear Sir or Madam:

We are writing in response to the U.S. Fish and Wildlife Service's (hereinafter, "the Service") publication of an "Economic Analysis of Critical Habitat Designation for the Jaguar", prepared for the Service by a consulting firm in Massachusetts. As stated in our comment letters on the initial proposal and revised proposal for jaguar critical habitat, we support the designation of critical habitat in the Southwest and in the Santa Rita Mountain range and associated habitat in particular. We are, however, deeply troubled by many significant flaws in the economic analysis that seriously undermine its usefulness to both the public and the decisionmaker.

Much of the analysis sets out fairly clearly what the designation of critical habitat does and, importantly, does not portend. It accurately describes the type of federal actions that triggers consultation regarding critical habitat and explains that given the nature of jaguar, much of the consultation that would be required by virtue of critical habitat designation is already done in the course of consultation under Section 7 of the Endangered Species Act. Where it goes dramatically off track is in the discussion of economic impacts in regards to major mining projects. It also significantly underplays the potential benefits of critical habitat designation as opposed to the costs.

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The very serious problems with the draft economic analysis are detailed in the attached report, “Review of Economic Analysis of Economic Analysis of Critical Habitat Designation for the Jaguar” prepared by Dr. Thomas Power, Research Professor and Professor Emeritus, Economics Department, University of Montana. We fully incorporate the report in these comments. Dr. Powers is a nationally known resource economist. From 1978 to 2008 he served as Chairman of the Economics Department. In 2008 he retired from teaching and administration and now serves as a Research Professor and Professor Emeritus. He is the author of six books, a dozen and a half book chapters, and numerous articles and reports in the field of Natural Resource and Regional Economics and the relationship between those two fields. He has regularly testified before state and federal regulatory agencies.

In his review, Dr. Power explains that the draft economic report is conceptually flawed, relies on self-serving mining company information, ignores the costs of the mine to the citizens and local governments of southern Arizona, and underplays the potential benefits of the proposed designation (especially in contrast to the much more quantitative but incorrectly calculated “costs”). As noted in the review, the draft report assumes that “Apparently, the local government officials, business leaders, and citizens who have concluded that the costs associated with the Rosemont mine exceed the benefits are either confused or ignorant.” We are neither. Unlike the draft report that treats mining as a “costless activity”, we understand there are huge costs to the economic, social and environmental stability of southern Arizona as the result of proposed mining. Further, as the Powers’ review points out, there is ample literature on factors that should be involved in such an analysis, as well as easily accessible and recent analysis of the Rosemont proposal itself that should have been analyzed and discussed in the report.

These problems with the draft economic analysis are not just minor errors that can be easily addressed. Fundamentally, the report is so flawed that it needs to be redone. It serves neither the Fish and Wildlife Service nor the public to have such a fundamentally flawed report be part of the administrative record for this important decision.

Sincerely,

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Attachment: Power, Dr. Thomas Michael, *Review of "Draft Economic Analysis for Proposed Designation of Critical Habitat for Jaguar*, prepared for Mountain Empire Action Alliance, August 9, 2013.