



*Cost-Benefit and Regulatory Flexibility Analyses:
Proposed Revisions to Wildlife Harvest Regulations in
National Park System Alaska*

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Introduction

This report presents the cost-benefit and regulatory flexibility analyses of the proposed regulatory action to amend regulations for sport hunting and trapping in National Preserves in Alaska. Quantitative analyses were limited to basic projections of activities that are currently allowed, as further analysis would require more intensive research and study than is warranted for this purpose. The National Park Service (NPS) believes that these analyses provide an adequate assessment of all relevant costs and benefits associated with the regulatory action.

The results of the cost-benefit analysis indicate that the costs of the proposed regulatory action are justified by the associated benefits. Additionally, this proposed regulatory action will not have an annual economic effect of \$100 million, and will not adversely affect an economic sector, productivity, jobs, the environment, or other units of the federal government.

The results of the regulatory flexibility analysis indicate no adverse impacts for any sector of the economy or unit of government, including small entities. Given those findings, the proposed regulatory action will not impose a significant economic impact on a substantial number of small entities.

Under the proposed rule, NPS would not adopt State laws or regulations that authorize taking of wildlife, hunting or trapping activities, or management actions involving predator reduction efforts with the intent or potential to alter or manipulate natural predator-prey dynamics and associated natural ecological processes to increase harvest of ungulates by humans. The proposed rule would maintain long-standing prohibited sport hunting and trapping practices. The proposed rule also would update the procedures in 36 CFR 13.50 for closing an area or restricting an activity in National Park Service areas in Alaska; update subsistence regulations that are obsolete; prohibit the obstruction of persons engaged in lawful hunting or trapping; and authorize the use of native species as bait for fishing. These amendments would not restrict subsistence harvest of fish and wildlife of NPS lands in Alaska. Sport hunting and trapping in National Preserves account for less than 6% of the lands in Alaska open to these activities.

Cost-Benefit Analysis

Statement of Need for the Proposed Plan

Executive Order 12866 (58 FR 51735) directs Federal agencies to demonstrate the need for the regulations they promulgate. In general, regulations should be promulgated only when a “market failure” exists that cannot be resolved effectively through other means. A market failure exists when private markets fail to allocate resources in an economically efficient manner. A significant cause of market failure is an “externality,” which occurs when the actions of one party impose uncompensated impacts on others. For example, hunting bears over bait within park areas can impose costs to other user groups by creating safety risks and displacing other park area users. Because these costs are not compensated through private markets, hunters using bait have little incentive to change their behavior accordingly. The result is an inefficient allocation of park resources.

The NPS has prepared an Environmental Assessment (NPS 2014) in accordance with the requirements of the National Environmental Policy Act and NPS policies. The NPS is considering this action to address recent State-authorized hunting practices that are inconsistent with the legal and policy framework for national park system units. This framework mandates that national park areas are managed for natural processes and natural ecosystems, including natural wildlife populations. The Alaska National Interest Lands Conservation Act (ANILCA) provides the NPS, through the Secretary of the Interior, the authority to restrict taking wildlife for sport purposes for reasons of public safety, administration, floral and faunal protection, or public use and enjoyment (ANILCA, Sec. 1313). In the last several years, the State of Alaska has adopted an increasing number of liberalized methods of hunting and trapping wildlife and extended seasons to increase opportunities to harvest predator species. These methods and season extensions could impact public safety, administration, flora and fauna, and public use and enjoyment. Therefore, the proposed NPS action will improve economic efficiency by eliminating these uncompensated impacts on national preserves in Alaska.

Alternatives Considered in the Current Analysis

Complete descriptions of the alternatives can be found in the Environmental Assessment for Wildlife Harvest on National Park System Preserves In Alaska (NPS 2014).

Proposed Action Alternative

Alternative B - Promulgate NPS Wildlife Harvest Regulations in Alaska National Preserves: Under this alternative, NPS regulations would make the following substantive changes, as outlined in the proposed rule in www.regulations.gov:

- (1) In accordance with NPS policies, taking wildlife, hunting or trapping activities, or management actions involving predator reduction efforts with the intent or potential to alter or manipulate natural predator-prey dynamics and associated natural ecological processes to increase harvest of ungulates by humans would not be allowed on NPS-managed lands. It would also explain how the NPS would notify the public of specific activities that are not consistent with this section.
- (2) Prohibit historically illegal practices for taking wildlife for sport purposes, including the practices recently authorized by the State for taking predators: (i) taking black bear cubs and sows with artificial light at den sites; (ii) taking brown bears over bait; and (iii) taking wolves and coyotes during the denning season.
- (3) Prohibit intentionally obstructing or hindering persons actively engaged in lawful hunting or trapping.
- (4) Update procedures for implementing closures or restrictions in park areas, including taking fish and wildlife for sport purposes, to more effectively engage the public.
- (5) Update NPS regulations to reflect federal assumption of the management of subsistence hunting and fishing under Title VIII of ANILCA from the SOA in the 1990s.
- (6) Allow the use of native species to be used as bait, commonly salmon eggs, for fishing in accordance with non-conflicting State law. This would supersede for park areas in Alaska the Service-wide prohibition on using certain types of bait in 36 CFR 2.3(d)(2).

The proposed rule would also prohibit use of electronic devices not specifically identified as authorized and eliminate an allowance under adopted State laws that authorize sport hunters to take caribou while swimming in certain national preserves.

The NPS restrictions may also discontinue the use of bait to attract and take black bears because brown bears are inevitably attracted to these sites too. Bears attracted to but not harvested at bait stations may become habituated to human foods and create nuisance bears and safety hazards for other area users.

Other Alternatives Considered

Alternative A - No Action: The No-Action Alternative is required by the National Environmental Policy Act for the purposes of providing comparison to alternatives considered. Under the no-action alternative of the EA, all State laws and regulations that do not conflict with existing federal laws or regulations would apply on national preserves. Additionally, the NPS would take no action to prohibit implementation of the State's intensive management regulations and liberalized predator harvest measures on NPS preserves. Wildlife harvest measures that would occur under the no-action alternative include, but are not limited to, the following examples: taking of black bear cubs and sows with artificial lights at den sites; taking of black bear cubs and sows with cubs; taking brown bears over black bear bait stations; taking wolves or coyotes during the denning season; using electronic devices specifically authorized by the State; and taking of caribou while the animal is swimming in certain national preserves.

Because the no-action alternative is not consistent with the NPS statutory framework and NPS policy, in the last few years the NPS has prevented certain recent State regulations from taking effect in preserves through yearly restrictions.

Baseline Conditions

The costs and benefits of a regulatory action are measured with respect to its baseline conditions. Baseline describes conditions that would exist without the NPS regulatory action. Therefore, all costs and benefits included in this analysis are incremental to the baseline conditions. That is, any future impacts that would occur without the proposed action, as well as any past impacts that have already occurred, are not included in this analysis. The no-action alternative is not consistent with the NPS statutory framework and NPS policy. Since the new State wildlife harvest regulations were implemented, the NPS has prevented these methods from taking effect in preserves through yearly restrictions (36 CFR 13.40 and 13.50). Unlike the practice of taking brown bears over bait, black bear hunting over bait has been an authorized practice in Alaska for several decades, including in national preserves.

For this analysis, the baseline conditions would continue - temporary NPS restrictions on the historically illegal sport hunting practices recently authorized by the State of Alaska would continue to be re-adopted yearly. Black bear hunting over bait would continue to be an authorized practice in national preserves under baseline. Though authorized since the 1980s, the practice of hunting black bear over bait in NPS preserves is relatively uncommon. On average,

less than two black bears per year are harvested over bait on NPS lands (Hilderbrand, Rabinowitch, & Mills 2013).

In terms of costs and benefits, it is not possible to quantify changes from baseline conditions described in this analysis from the no-action alternative (Alternative A). Since the NPS has prevented certain recent State regulations from taking effect on NPS areas through yearly restrictions, no data exists to quantitatively evaluate possible changes associated with potential minor enhancements of some sport hunting opportunities in the preserves, the potential reduced opportunities for predator viewing to other visitors, or the potential minor reduction in other public uses around bear baiting stations described in the Environmental Assessment (NPS 2014). Additionally, the no-action alternative is not considered to be a reasonably feasible regulatory alternative because it is not consistent with the NPS statutory framework and NPS policy.

Costs and Benefits of the Proposed Regulatory Action (Alternative B)

Costs

The purpose of this proposed regulatory action, Alternative B, is (i) prohibit hunting and trapping activities or management actions involving predator reduction efforts with the intent or potential to alter or manipulate natural predator-prey dynamics and associated natural ecological processes to increase harvest of ungulates; and (ii) maintain long-standing prohibited sport hunting and trapping practices. Under Alternative B, permanent regulations would largely maintain wildlife harvest practices in Alaska preserves as they have been since 1980, except for the possible elimination of black bear baiting. The proposed rule would also prohibit use of electronic devices not specifically identified as authorized and eliminate an allowance under adopted State laws that authorize sport hunters to take caribou while swimming in certain national preserves.

Though authorized since the 1980s, the practice of hunting black bear over bait in NPS preserves is relatively uncommon. On average, less than two black bears per year are harvested over bait on NPS lands (Hilderbrand, Rabinowitch, & Mills 2013). The possible elimination of black bear baiting may result in a minor reduction (average of less than 2 per year) in black bear harvest by sport hunters (Hilderbrand, Rabinowitch, & Mills 2013). Those hunters that prefer to utilize bait would still have the opportunity to harvest a black bear, however, not with the aid of bait. According to a 1992 survey of Alaskan resident and nonresident hunters (Miller et al., 1998), the net economic value per black bear hunting trip was \$356 for resident hunters and \$1,037 for nonresident hunters (adjusted to 2013 dollars by the Consumer Price Index inflation calculator (US Bureau of Labor Statistics (2014)). The net economic value of a trip (or consumer surplus) is defined as the amount respondents were willing to pay above the amount they actually paid for their trip. Guides are not required for residents or nonresidents to hunt black bears over bait therefore impacts on guiding services are not anticipated.

Compared to baseline conditions, there are no anticipated significant costs under the proposed rule associated with (i) updating administrative procedures for closing an area or restricting wildlife take activities in National Park System areas; (ii) updating subsistence regulations that are obsolete; (iii) prohibiting the obstruction of persons engaged in lawful hunting or trapping; or

(iv) authorizing the use of native species as bait for fishing. This action does not involve any additional fees or other measures that would increase the monetary costs to visitors, businesses, or communities. Therefore, it is anticipated that overall this action could impose negligible costs to hunters and associated businesses, and no costs to others.

Benefits

It is anticipated that this action could generate benefits in the form of increased opportunities to enjoy natural environments and ecosystems and observe the full complement of wildlife populations, including bears, wolves, and coyotes compared to baseline conditions. According to a 1992 survey of Alaskan voters (Miller et al., 1998), the net economic value per bear viewing trip was \$311 for black bears and \$387 for brown bears (adjusted to 2013 dollars by the Consumer Price Index inflation calculator (US Bureau of Labor Statistics (2014))). The possible removal of black bear bait stations would eliminate the occasional exclusion of some recreational visitors from small areas around bear baiting stations resulting in minor increases in other public uses and enjoyment of these areas. Overall, it is anticipated that this action could impose negligible positive benefits to wildlife viewers and other non-hunting user groups.

Given that the purpose of this proposed regulatory action, Alternative B, is (i) prohibit hunting and trapping activities or management actions involving predator reduction efforts with the intent or potential to alter or manipulate natural predator-prey dynamics and associated natural ecological processes to increase harvest of ungulates; and (ii) maintain long-standing prohibited sport hunting and trapping practices, the passive use values associated with ecosystem preservation (which are independent of on-site use) of the general public are anticipated to be positive.

Total Economic Value

To estimate the total economic value generated by the proposed regulatory action, the resulting change in hunters, wildlife viewers, and other visitors as well as the marginal increase in value experienced by current visitors would require more intensive research and study. The data required to estimate these factors are not available. Therefore, the NPS was not able to estimate the total change in net economic value generated by this action. Since this action will generate negligible benefits to wildlife viewers and other non-hunting user groups and negligible costs to an average of less than 2 hunters per year, total change in net economic value generated by this action to affected user groups is anticipated to be close to zero. It is anticipated that passive use values of the general public associated with ecosystem preservation would be positive that suggests positive net benefits could be generated.

Uncertainty

The overall change in hunters, wildlife viewers, and other visitors as well as the marginal change in value experienced by current visitors resulting from the proposed regulatory action are unknown. Therefore, the total costs and benefits generated by this action cannot be estimated. Nevertheless, it is anticipated that zero to potentially positive benefits could be generated. NPS is not aware of any other sources of uncertainty.

Conclusion

The results of this cost-benefit analysis indicate that the total change in net economic value generated by this action to affected user groups is anticipated to be close to zero. The possible elimination of black bear baiting may result in a minor reduction (average of less than 2 per year) in black bear harvest by sport hunters (Hilderbrand, Rabinowitch, & Mills 2013). Those hunters that prefer to utilize bait would still have the opportunity to harvest a black bear, however, not with the aid of bait. Passive use values of the general public associated with ecosystem preservation are anticipated to be positive, which suggests that positive net benefits could be generated. Further, this proposed regulatory action is not expected to have an annual economic effect of \$100 million, or to adversely affect an economic sector, productivity, jobs, the environment, or other units of government. This proposed regulatory action will improve economic efficiency.

Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980, as amended in 1996 requires agencies to analyze impacts of regulatory actions on small entities (businesses, non-profit organizations, and governments), and to consider alternatives that minimize such impacts while achieving regulatory objectives. Agencies must first conduct a threshold analysis to determine whether regulatory actions are expected to have significant economic impact on a substantial number of small entities. If the threshold analysis indicates a significant economic impact on a substantial number of small entities, an initial regulatory flexibility analysis must be produced and made available for public review and comment along with the proposed regulatory action. A final regulatory flexibility analysis that considers public comments must then be produced and made publicly available with the final regulatory action. Agencies must publish a certification of no significant impact on a substantial number of small entities if the threshold analysis does not indicate such impacts.

This threshold analysis relies on the cost-benefit analysis, which concludes that the total change in net economic value associated with this proposed regulatory action is anticipated to be close to zero. It is anticipated that passive use values of the general public associated with ecosystem preservation would be positive, which suggest that positive net benefits could be generated. No costs to visitors, businesses, or local communities are anticipated. In addition, this action will not impose restrictions on local businesses in the form of fees, training, record keeping, or other measures that would increase costs. Rather, this action could slightly increase park wildlife viewing visitation and thereby generate benefits for businesses, including small entities, through increased visitor spending. Given those findings, this proposed regulatory action will not impose a significant economic impact on a substantial number of small entities.

References

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The Department of the Interior protects and manages the nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its special responsibilities to American Indians, Alaska Natives, and affiliated Island Communities.