

70. This section presents expected total administrative costs of actions taken under section 7 of the Act associated with the geographic area proposed as critical habitat for the flycatcher. First, this section defines the types of administrative costs likely to be associated with the proposed habitat. Next, the analysis presents estimates of the number of technical assistance efforts and consultations likely to result from the designation of critical habitat for the flycatcher and/or the listing, as well as the per-unit costs of each of these activities. Based on this analysis, estimates of past and future administrative costs are derived.

3.1 Categories of Administrative Costs

71. The following section provides an overview of the categories of administrative costs impacts that arise due to the implementation of section 7 in the geographic area proposed as critical habitat for the flycatcher.

3.1.1 Technical Assistance

72. Frequently, the Service responds to requests for technical assistance from State agencies, local municipalities, and private landowners and developers who may have questions regarding whether specific activities may affect critical habitat. Technical assistance costs represent the estimated economic costs of informational conversations between these entities and the Service regarding the designation of critical habitat for the flycatcher. Most likely, such conversations will occur between municipal or private property owners and the Service regarding lands designated as critical habitat or lands adjacent to critical habitat. The Service's technical assistance activities are voluntary and generally occur in instances where a Federal nexus does not exist.

3.1.2 Section 7 Consultations

73. Section 7(a)(2) of the Act requires Federal agencies (Action agencies) to consult with the Service whenever activities that they undertake, authorize, permit, or fund may affect a listed species or designated critical habitat. There are two scenarios under which

the designation of critical habitat can result in section 7 consultations with the Service beyond those required by the listing. These include:

- New consultations, which can occur when activities involving a Federal nexus are proposed in critical habitat not thought to be currently occupied by the species; and
- Re-initiations of consultations, which result when consultations that previously occurred under the listing are re-initiated due to new information or circumstances generated by the designation.

74. In some cases, consultations will involve the Service and another Federal agency only, such as the U.S. Forest Service. More often, they will also include a third party involved in projects on non-Federal lands with a Federal nexus, such as state agencies and private landowners.

75. During a consultation, the Service, the Action agency, and the landowner manager applying for Federal funding or permitting (if applicable) communicate in an effort to minimize potential adverse effects to the species and/or to the proposed critical habitat. Communication between these parties may occur via written letters, phone calls, in-person meetings, or any combination of these. The duration and complexity of these interactions depends on a number of variables, including the type of consultation, the species, the activity of concern, and the potential effects to the species and designated critical habitat associated with the activity that has been proposed, the Federal agency, and whether there is a private applicant involved.

76. Section 7 consultations with the Service may be either informal or formal. *Informal consultations* consist of discussions between the Service, the Action agency, and the applicant concerning an action that may affect a listed species or its designated critical habitat, is designed to identify and resolve potential concerns at an early stage in the planning process. By contrast, a *formal consultation* is required if the Action agency determines that its proposed action may or will adversely affect the listed species or designated critical habitat in ways that cannot be resolved through informal consultation. The formal consultation process results in the Service's determination in its Biological Opinion of whether the action is likely to jeopardize a species or adversely modify critical habitat, and recommendations to minimize those impacts. Regardless of the type of consultation or proposed project, section 7 consultations can require substantial administrative effort on the part of all participants.

3.2 Estimated Costs of Consultations and Technical Assistance

77. Estimates of the cost of an individual consultation and technical assistance request were developed from a review and analysis of historical section 7 files from a number of Service field offices around the country conducted in 2002. These files addressed consultations conducted for both listings and critical habitat designations. Cost figures

were based on an average level of effort of low, medium, or high complexity, multiplied by the appropriate labor rates for staff from the Service and other Federal agencies.

78. The administrative cost estimates presented in this section take into consideration the level of effort of the Service, the Action agency, and the applicant, as well as the varying complexity of the consultation or the technical assistance request. Costs associated with these consultations include the administrative costs associated with conducting the consultation, such as the cost of time spent in meetings, preparing letters, and the development of a biological opinion. Exhibit 3-1 provides a summary of the estimated administrative costs of consultations and technical assistance requests.

Exhibit 3-1				
ESTIMATED ADMINISTRATIVE COSTS OF CONSULTATION AND TECHNICAL ASSISTANCE EFFORTS (PER EFFORT)^a				
Consultation Type	Service	Action Agency	Third Party	Biological Assessment
Technical Assistance	\$260 - \$680	N/A	\$600 - \$1,500	N/A
Informal Consultation	\$1,000 - \$3,100	\$1,300 - \$3,900	\$1,200 - \$2,900	\$0 - \$4,000
Formal Consultation	\$3,100 - \$6,100	\$3,900 - \$6,500	\$2,900 - \$4,100	\$4,000 - \$5,600

^a Low and high estimates primarily reflect variations in staff wages and time involvement by staff.
Sources: IEc analysis based on data from the Federal Government General Schedule Rates, Office of Personnel Management, 2002, a review of consultation records from several Service field offices across the country. Confirmed by local Action agencies.

3.3 Summary of Past Administrative Costs

79. Since the listing of the flycatcher in 1995, there have been 106 formal section 7 consultations in the geographic area proposed as critical habitat for the flycatcher. Data provided by the Ventura office in California and Region 2 of the Fish and Wildlife Service indicate:

- The ratio of technical assistance requests to formal consultations for the flycatcher ranges from 0.3 (Region 2) to three (Ventura Office). The analysis adopts a ratio of three technical assistance requests to one formal consultation for California Management Units and 0.3 technical assistance requests to one formal consultation for Management Units in all other states.
- The ratio of informal to formal consultations for the flycatcher ranges from nine (Ventura Office) to eleven (Region 2). The analysis adopts a ratio of nine informal consultations to one formal consultation for California Management Units and eleven technical assistance requests to one formal consultation for Management Units in all other states.

80. In addition, for Management Units with no past history of formal consultations for the flycatcher, this analysis makes the conservative assumption that those

Management Units will still have completed five technical assistance requests and one informal consultation for every one formal consultation, or approximately half of the regular rate observed in Region 2 and the Ventura Office. As shown in Exhibit 3-2, past administrative costs are estimated at \$5.6 million to \$18.5 million (2004 dollars), or \$863,000 to \$2.8 million annually (assuming a seven percent discount rate).

3.4 Summary of Future Administrative Costs

81. Based on a review of formal consultations during years where flycatcher critical habitat was designated (1997-2001) compared to years where flycatcher critical habitat was not designated (1995-1996; 2002+), this analysis assumes a ratio of future consultations to past consultations of 1.5 to 1. The same assumptions regarding the ratio of technical assistance requests and informal consultations to formal consultations used to estimate past administrative costs is used to estimate future administrative costs. As shown in Exhibit 3-3, future administrative costs are estimated at \$17 to \$57 million (2004 dollars), or \$1.6 million to \$5.4 million annually (assuming a seven percent discount rate over 20 years).

3.5 Caveats

82. The number of consultations and technical assistance efforts to be undertaken in the future for activities within a given unit is highly uncertain. The frequency of such efforts will be related to the level of economic activity, the presence of HCPs or other regional plans that obviate the need for consultation, and the extent to which economic activity overlaps with critical habitat. To the extent that this analysis over or underestimates the number of these efforts in the future, estimated costs will be over or understated.

Exhibit 3-2

**PAST ADMINISTRATIVE COSTS FOR TECHNICAL ASSISTANCE REQUESTS
AND CONSULTATIONS FOR THE SOUTHWESTERN WILLOW FLYCATCHER, 1995-2003**

Recovery Unit	Management Unit	Estimated Number of:			Total Admin Costs (\$2004)		Annual Costs (\$2004, 7%)		Annual Costs (\$2004, 3%)	
		Technical Assistance Requests ¹	Informal Consultations ²	Formal Consultations	Low	High	Low	High	Low	High
Coastal California	Santa Ynez	3	5	0	\$18,874	\$71,142	\$2,897	\$10,919	\$2,424	\$9,137
	Santa Ana	44	131	15	\$716,373	\$2,298,424	\$109,953	\$352,777	\$92,006	\$295,195
	San Diego	56	167	19	\$913,993	\$2,932,472	\$140,285	\$450,095	\$117,388	\$376,629
Basin and Mohave	Owens	3	5	0	\$18,874	\$71,142	\$2,897	\$10,919	\$2,424	\$9,137
	Kern	9	27	3	\$148,215	\$475,536	\$22,749	\$72,988	\$19,036	\$61,075
	Mohave	12	36	4	\$197,620	\$634,048	\$30,332	\$97,318	\$25,381	\$81,433
	Salton	3	5	0	\$18,874	\$71,142	\$2,897	\$10,919	\$2,424	\$9,137
Lower Colorado	Little Colorado	0	11	1	\$54,215	\$181,060	\$8,321	\$27,790	\$6,963	\$23,254
	Virgin	0	6	0	\$20,081	\$79,377	\$3,082	\$12,183	\$2,579	\$10,195
	Middle Colorado	2	77	7	\$379,506	\$1,267,417	\$58,249	\$194,531	\$48,741	\$162,779
	Pahranagat	1	22	2	\$108,430	\$362,119	\$16,643	\$55,580	\$13,926	\$46,508
	Bill Williams	1	33	3	\$162,645	\$543,179	\$24,964	\$83,371	\$20,889	\$69,763
	Hoover-Parker	0	17	2	\$81,323	\$271,589	\$12,482	\$41,685	\$10,445	\$34,881
	Parker-Southerly International	1	28	3	\$135,538	\$452,649	\$20,803	\$69,475	\$17,408	\$58,135
Gila	Verde	3	121	11	\$596,366	\$1,991,656	\$91,534	\$305,692	\$76,594	\$255,796
	Roosevelt	2	77	7	\$379,506	\$1,267,417	\$58,249	\$194,531	\$48,741	\$162,779
	Middle Gila/San Pedro	2	77	7	\$379,506	\$1,267,417	\$58,249	\$194,531	\$48,741	\$162,779
	Upper Gila	2	77	7	\$379,506	\$1,267,417	\$58,249	\$194,531	\$48,741	\$162,779
Rio Grande	San Luis Valley	0	6	0	\$20,081	\$79,377	\$3,082	\$12,183	\$2,579	\$10,195
	Upper Rio Grande	0	11	1	\$54,215	\$181,060	\$8,321	\$27,790	\$6,963	\$23,254
	Middle Rio Grande	1	55	5	\$271,076	\$905,298	\$41,606	\$138,951	\$34,815	\$116,271
Multiple MUs		22	110	11	\$573,358	\$1,876,381	\$88,003	\$287,999	\$73,639	\$240,991
Total		168	1,100	106	5,628,174	18,547,319	863,849	2,846,763	722,848	2,382,104

Notes:

¹ Assumes a ratio of technical assistance requests to formal consultations of 3 to 1 for California Management Units and 0.3 to 1 for all other Management Units based on data provided by FWS field offices.

² Assumes a ratio of informal consultations to formal consultations of 9 to 1 for California Management Units based on data provided by the Ventura, California FWS office; and a ratio of 11 to 1 for all other Management Units based on data provided by Region 2 FWS field offices.

Exhibit 3-3

**FUTURE ADMINISTRATIVE COSTS FOR TECHNICAL ASSISTANCE REQUESTS
AND CONSULTATIONS FOR THE SOUTHWESTERN WILLOW FLYCATCHER, 2004-2023**

Recovery Unit	Management Unit	Estimated Number of:			Total Admin Costs (\$2004)		Annual Costs (\$2004, 7%)		Annual Costs (\$2004, 3%)	
		Technical Assistance Requests ¹	Informal Consultations ²	Formal Consultations ³	Low	High	Low	High	Low	High
Coastal California	Santa Ynez	9	27	3.0	\$148,000	\$476,000	\$14,000	\$45,000	\$10,000	\$32,000
	Santa Ana	131	392	43.5	\$2,149,000	\$6,895,000	\$203,000	\$651,000	\$144,000	\$463,000
	San Diego	167	500	55.5	\$2,742,000	\$8,797,000	\$259,000	\$830,000	\$184,000	\$591,000
Basin and Mohave	Owens	9	27	3.0	\$148,000	\$476,000	\$14,000	\$45,000	\$10,000	\$32,000
	Kern	27	81	9.0	\$445,000	\$1,427,000	\$42,000	\$135,000	\$30,000	\$96,000
	Mohave	36	108	12.0	\$593,000	\$1,902,000	\$56,000	\$180,000	\$40,000	\$128,000
	Salton	9	27	3.0	\$148,000	\$476,000	\$14,000	\$45,000	\$10,000	\$32,000
Lower Colorado	Little Colorado	1	33	3.0	\$163,000	\$543,000	\$15,000	\$51,000	\$11,000	\$36,000
	Virgin	1	33	3.0	\$163,000	\$543,000	\$15,000	\$51,000	\$11,000	\$36,000
	Middle Colorado	6	231	21.0	\$1,139,000	\$3,802,000	\$108,000	\$359,000	\$77,000	\$256,000
	Pahranagat	2	66	6.0	\$325,000	\$1,086,000	\$31,000	\$103,000	\$22,000	\$73,000
	Bill Williams	3	99	9.0	\$488,000	\$1,630,000	\$46,000	\$154,000	\$33,000	\$110,000
	Hoover-Parker	1	50	4.5	\$244,000	\$815,000	\$23,000	\$77,000	\$16,000	\$55,000
	Parker-Southerly International	2	83	7.5	\$407,000	\$1,358,000	\$38,000	\$128,000	\$27,000	\$91,000
Gila	Verde	10	363	33.0	\$1,789,000	\$5,975,000	\$169,000	\$564,000	\$120,000	\$402,000
	Roosevelt	6	231	21.0	\$1,139,000	\$3,802,000	\$108,000	\$359,000	\$77,000	\$256,000
	Middle Gila/San Pedro	6	231	21.0	\$1,139,000	\$3,802,000	\$108,000	\$359,000	\$77,000	\$256,000
	Upper Gila	6	231	21.0	\$1,139,000	\$3,802,000	\$108,000	\$359,000	\$77,000	\$256,000
Rio Grande	San Luis Valley	1	33	3.0	\$163,000	\$543,000	\$15,000	\$51,000	\$11,000	\$36,000
	Upper Rio Grande	1	33	3.0	\$163,000	\$543,000	\$15,000	\$51,000	\$11,000	\$36,000
	Middle Rio Grande	4	165	15.0	\$813,000	\$2,716,000	\$77,000	\$256,000	\$55,000	\$183,000
Multiple MUs		66	330	33.0	\$1,720,000	\$5,629,000	\$162,000	\$531,000	\$116,000	\$378,000
TOTAL:		503	3,372	333	\$17,367,000	\$57,038,000	\$1,640,000	\$5,384,000	\$1,169,000	\$3,834,000

Notes:

¹ Assumes a ratio of technical assistance requests to formal consultations of 3 to 1 for California Management Units and 0.3 to 1 for all other Management Units based on data provided by FWS field offices.

² Assumes a ratio of informal consultations to formal consultations of 9 to 1 for California Management Units based on data provided by the Ventura, California FWS office; and a ratio of 11 to 1 for all other Management Units based on data provided by Region 2 FWS field offices.

³ Assumes a ratio of future consultations to past consultations of 1.5 to 1.