

**National Park Service
U.S. Department of the Interior**



***Economic Analyses:
Selected Winter Use Plan for Yellowstone National Park***

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1.0 Introduction

This report presents the cost-benefit and regulatory flexibility analyses of the selected winter use plan for Yellowstone National Park (YNP). This winter use plan will implement new winter use management measures in YNP for a two-year interim period, including the 2009-10 winter season through the 2010-11 winter season only. These cost-benefit and regulatory flexibility analyses are derived from a more detailed analysis of winter use (RTI International, September 2007), which is available from the National Park Service (NPS).

NPS believes this regulation will have de minimis negative impacts. This determination is based on a consideration of current economic conditions, visitor trends from recent years and continued uncertainty of park policies from court decisions. In addition, this winter use plan will only be in place for a two-year interim period. In order to capture the widest range of possibilities, two scenarios were analyzed within this analysis. The “expected scenario” includes the impacts that are most likely to occur and the “maximum scenario” includes the worst possible impacts that might occur. NPS believes the expected scenario is most likely to occur. Given that, the selected alternative 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 government relative to the baseline. Additionally, the selected alternative will not impose significant impacts on small businesses.

2.0 Cost-Benefit Analysis

2.1 Statement of Need for the Selected Action

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 individual impose uncompensated impacts on others. For example, snowmobile users can impose costs on other park visitors associated with noise, air pollution, congestion, and health and safety risks. Because these costs are not compensated through private markets, snowmobile users may have little incentive to change their behavior accordingly. The result is an inefficient allocation of park resources.

The purpose of this selected winter use plan is to implement new winter use management measures for the park. These measures will be in effect for two years, including the 2009-10 winter season through the 2010-11 winter season only. This regulatory action will enhance resource protection and visitor use and enjoyment by establishing management measures such as entrance limits, snowmobile guiding requirements, and pollution abatement technology requirements to minimize the

uncompensated impacts of winter use. These measures will improve economic efficiency by minimizing the uncompensated impacts of winter use in YNP.

2.2 Alternatives Considered in the Current Analysis

The only action alternative considered in this analysis is the selected alternative, which is identified as Alternative 2 in the 2008 Environmental Analysis (NPS, November 2008). This alternative will establish new winter use management measures in YNP for two years, including the 2009-10 winter season through the 2010-11 winter season only. Specifically, the selected alternative will implement the following measures.

- Daily entry limits
 - Snowmobiles in YNP
 - West Entrance: 160
 - South Entrance: 114
 - East Entrance: 20
 - North Entrance: 12
 - Old Faithful: 12
 - Total: 318
 - Snowcoaches in YNP
 - West Entrance: 34
 - South Entrance: 13
 - East Entrance: 2
 - North Entrance: 13
 - Old Faithful: 16
 - Total: 78
- All snowmobile use within YNP must be commercially guided.
- Snowmobile groups will be limited to no more than 11.
- All snowmobiles entering the parks must meet Best Available Technology (BAT) standards.

The costs and benefits of an action alternative are measured with respect to its baseline conditions. Baseline describes conditions that would exist without the 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 selected action, as well as any past impacts that have already occurred, are not included in this analysis.

The baseline conditions for this regulatory action are influenced by recent court decisions. When the Environmental Analysis was issued in 2008, the 2007 winter use regulation had been vacated and the authorization for snowmobile access in the 2004 winter use regulation had expired pursuant to its sunset provision. Thus, without regulatory action by NPS at that time, no snowmobile access would have been permitted, wheeled vehicle travel would have continued on roads that had been traditionally plowed, and the park would have been open to skiing and snowshoeing.

In November 2008 the Wyoming District Court ordered the reinstatement of the 2004 regulation, without its sunset provision, until NPS promulgates an acceptable regulation to take its place. The result of that decision is the continued authorization for snowmobile access as provided by the 2004 regulation. While there has been no current NEPA analysis or other determination that snowmobile use at the levels authorized under that regulation is consistent with NPS statutory and other mandates, these conditions describe baseline for purposes of this regulatory analysis.

To help determine these baseline conditions, the daily averages and season totals of snowmobile use in YNP in recent years is presented in Table 1. The daily average ranges between 205 and 299 for the past three winter seasons, with higher use seen in 2006-07 and 2007-08. In 2008-09, average use dropped to 205 snowmobiles per day, a reflection of the uncertainty brought by recent court decisions and the current worldwide economic conditions. The selected alternative level of 318 snowmobiles exceeds the range of use observed in recent years.

Winter Season	Daily Average	Season Total
2006-2007	299	26,910
2007-2008	294	26,460
2008-2009	205	18,450
Selected Alternative	318	28,620

2.2.1 Expected Scenario

NPS constructed two baseline scenarios to capture the possible range of impacts. The “expected scenario” assumes that under baseline conditions snowmachine use will not exceed the levels permitted under the selected alternative. Indeed, to be conservative, NPS assumed that snowmachine use under baseline conditions in this scenario would equal that permitted under the selected alternative. That assumption is considered most likely to hold given recent trends in snowmobile use (see Table 1), the current economic downturn, the short two-year interim period, and the likelihood of continued uncertainty of the public regarding the winter use plan. Given that assumption, changes in snowmachine use under the selected alternative will be de minimis, as indicated in Table 2.

Table 2			
Winter Season Snowmachine Use Under the Expected Scenario			
Alternative	----- Entries -----		
	Snowmobile	Snowcoach	Total
Baseline	28,620	7,020	35,640
Selected Alternative	28,620	7,020	35,640
Change	0	0	0

2.2.2 Maximum Scenario

The “maximum scenario” assumes that under baseline conditions snowmachine use will match levels permitted under the 2004 regulation. That regulation permits 720 snowmobiles and 78 snowcoaches to access YNP per day. Therefore, under the maximum scenario the selected alternative would reduce snowmobile use by 402 entries per day (720 entries per day under baseline minus 318 entries per day under the selected alternative). Snowcoach use would not be reduced (78 entries per day under baseline minus 78 entries per day under the selected alternative). Therefore, as many as 36,180 snowmobile entries would be reduced in the maximum scenario over the 90-day winter use season. NPS does not believe the maximum scenario is likely to occur given the downward trend of snowmobile use in recent winter seasons (see Table 1), the current economic downturn, the short two-year interim period, and the likelihood of continued uncertainty of the public regarding the winter use plan.

Table 3			
Winter Season Snowmachine Use Under the Maximum Scenario			
Alternative	----- Entries -----		
	Snowmobile	Snowcoach	Total
Baseline	64,800	7,020	71,820
Selected Alternative	28,620	7,020	35,640
Change	-36,180	0	-36,180

2.3 Impacts to Visitors

As indicated in Tables 2 and 3, the impacts of the selected alternative to snowmobile use range from a reduction of zero to 402 entries per day, with zero being the most likely to occur.

Impacts to visitors are quantified as “consumer surplus,” which includes the maximum willingness to pay for such activities minus the costs of participation. Therefore, consumer surplus measures the net benefits of visitation. To calculate these net benefits, the consumer surplus per visitor-day for snowmobile and snowcoach access under the selected alternative must be estimated. RTI International (September 2007) estimates these benefits using the results of the Winter 2002-03 Visitor Survey. Specifically, the results for the “Baseline to Alternative 6” valuation scenario in Table 3-

16 of RTI International (September 2007) were used in the current analysis since they were considered similar to a change from baseline to the selected alternative in the current analysis.¹ These consumer surplus values are presented in Table 4.

Access	Consumer Surplus Per Visitor-Day
Snowmobile	\$280
Snowcoach	\$244

These values reflect the "Baseline to Alternative 6" valuation scenario in Table 3-16 of RTI International (September 2007). Values are 2003 dollars.

NPS calculated the total consumer surplus changes expected under the selected alternative using the changes in snowmachine use from Tables 2 and 3 and the per visitor-day consumer surplus values from Table 4. To calculate the number of affected visitors, NPS assumed an average of 1.5 riders per snowmobile.² These total consumer surplus changes are presented in Table 5, including total present values over the two-year period that the regulation will be in effect. The associated annual consumer surplus values, amortized over the same two-year period, are presented in Table 6. These annual producer surplus changes are amortized at the same 3 percent and 7 percent rates used to calculate total present value.

Total	Expected Scenario	Maximum Scenario
Annual Level	\$0	-\$15,196,000
Total present value 2009-10 through 2010-11		
Discounted at 3 percent per year	\$0	-\$29,949,000
Discounted at 7 percent per year	\$0	-\$29,398,000

Office of Management and Budget Circular A-4 recommends a 7 percent discount rate in general, and a 3 percent discount rate when analyzing the impacts to private consumption. Values are 2003 dollars rounded to the nearest 1,000.

¹ The selected alternative in the current analysis contemplates 318 snowmobile entries per day in YNP compared to 350 snowmobile entries per day in YNP in "Alternative 6" from RTI International (September 2007). These values are conditioned on crowding conditions at park entrances and destinations, which are considered similar between the two valuation scenarios.

² During the 2008-09 winter use season, 23,417 visitors rode on 15,655 snowmobiles for an average of 1.5 riders per snowmobile.

In addition to these changes in consumer surplus, NPS recognizes that a reduction in allowable entries of snowmobiles under the maximum scenario may increase the costs of guided tours, but is unable to quantify these costs.

Amortized 2009-10 through 2010-11	Expected Scenario	Maximum Scenario
Discounted at 3 percent per year	\$0	-\$15,196,000
Discounted at 7 percent per year	\$0	-\$15,196,000

Office of Management and Budget Circular A-4 recommends a 7 percent discount rate in general, and a 3 percent discount rate when analyzing the impacts to private consumption. Values are 2003 dollars rounded to the nearest 1,000.

2.4 Impacts to Businesses

NPS estimates that businesses will not incur impacts from the selected alternative under the expected scenario. That conclusion is based on the changes in snowmachine use presented in Table 2, which are considered most likely. However, in the unlikely event that the maximum scenario would occur, negative impacts would be incurred. Those impacts would be associated with the decrease in snowmobile use presented in Table 3. These impacts are termed “producer surplus,” which are a net benefits that measure similar to the consumer surplus values accruing to visitors.

NPS estimated the change in producer surplus associated with the selected alternative by applying “return on sales” margins provided by Dun & Bradstreet (RTI International, September 2007). The use of these margins only approximates the producer surplus associated with the selected alternative since these margins include additional measures reflecting fixed costs, taxes, or accounting conventions, which are not technically included in producer surplus. Therefore, these NPS estimates may understate actual producer surplus to businesses.

The estimate of producer surplus involves multiplying expenditures per visitor-day by their respective return on sales margins. Those expenditures and margins are presented in Table 7. Total producer surplus changes for businesses under the selected alternative are presented in Table 8 and annual producer surplus changes are presented in Table 9. The annual producer surplus changes are amortized at the same 3 percent and 7 percent rates used to calculate total present value.

Table 7
Expenditures Per Visitor-Day and Return on Sales for Snowmobile and Snowcoach Access Under the Selected Alternative

Expenditure	-----Expenditures Per Visitor-Day-----		Return on Sales
	Snowmobile	Snowcoach	
Snowmachine rental	\$90.97	\$25.97	6.30%
Grocery	\$8.52	\$5.93	1.70%
Lodging	\$50.36	\$30.46	8.00%
Restaurants & bars	\$38.05	\$23.58	4.05%
Gas & oil	\$20.55	\$12.17	2.10%
Other retail	\$14.38	\$8.18	5.50%

Expenditures per visitor-day are based on responses to the Winter 2002-03 Visitor Survey (RTI International, September 2007). Return on sales are the mid-points of ranges reported by Dun & Bradstreet (*ibid.*).

Table 8
Total Producer Surplus Changes for the Selected Alternative

Total	Expected Scenario	Maximum Scenario
Annual Level	\$0	-\$688,000
Total present value 2009-10 through 2010-11		
Discounted at 3 percent per year	\$0	-\$1,356,000
Discounted at 7 percent per year	\$0	-\$1,331,000

Office of Management and Budget Circular A-4 recommends a 7 percent discount rate in general, and a 3 percent discount rate when analyzing the impacts to private consumption. Values are 2003 dollars rounded to the nearest 1,000.

Table 9
Annual Producer Surplus Changes for the Selected Alternative

Amortized 2009-10 through 2010-11	Expected Scenario	Maximum Scenario
Discounted at 3 percent per year	\$0	-\$688,000
Discounted at 7 percent per year	\$0	-\$688,000

Office of Management and Budget Circular A-4 recommends a 7 percent discount rate in general, and a 3 percent discount rate when analyzing the impacts to private consumption. Values are 2003 dollars rounded to the nearest 1,000.

2.5 Other Impacts

As documented in RTI International (September 2007), it is possible for visitors who do not access the park by snowmobile or snowcoach to incur increases in consumer surplus from decreased snowmobile use. In the current analysis, the expected scenario is

most likely to occur with de minimis changes in snowmachine use; therefore, no impacts associated with this phenomenon would likely occur. Under the maximum scenario, this phenomenon would increase the consumer surplus of visitors who do not access the park by snowmobile or snowcoach. However, given recent visitor trends and the relatively low level of snowmobile and snowcoach use contemplated under the selected alternative, it is not possible at this time to estimate any such changes in visitor use. Therefore, while recognizing that such impacts to visitors are possible under the selected alternative; NPS is unable to quantify those impacts.

In addition to the potential impacts described above, NPS believes there may be a positive impact on “passive” users under the maximum scenario. These users are individuals who do not directly use park resources and perhaps never intend to do so. Economists refer to the values these users hold using several different terms, including non-use values, passive use values, and existence values. The underlying motivations for these values include the satisfaction of knowing that a particular resource is protected or a desire to preserve the resource for future generations. Under the maximum scenario, these passive users may be more confident that park resources are being protected, and will therefore incur benefits arising from the knowledge that park resources may be more protected by the selected alternative.³ Under the expected scenario, however, de minimis changes in snowmachine use would occur and with commensurate impacts to these passive users.

Other benefits that could not be quantified include the potential reduction in costs of road grooming and maintenance, winter staffing, snowmobile safety hazards, and law enforcement. In general, decreasing snowmobile activity under the maximum scenario may allow the park to redirect resources towards other activities that will protect park resources and address park management needs. Under the expected scenario, these impacts are expected to be de minimis.

2.6 Summary

NPS was able to quantify certain impacts in the current analysis. Those consumer and producer surplus impacts that could be quantified under the selected alternative are summarized in Table 10. NPS believes the expected scenario is most likely to occur with no negative impacts; however, NPS recognizes the unlikely possibility that the maximum scenario might occur and has quantified those negative impacts.

³ The importance of recognizing these values is affirmed by the NPS Organic Act. It establishes the fundamental purposes of the National Park System, which include preserving park resources and values for future generations. Additionally, the Redwood Amendment of 1978 provides that when there is a conflict between conserving park resources and providing for their current use and enjoyment, conservation is to be the primary concern.

**Table 10
Quantified Consumer and Producer Surplus Impacts Under
the Selected Alternative**

Discount Rate	Expected Scenario		Maximum Scenario	
	Total Present Value	Amortized Annual Value	Total Present Value	Amortized Annual Value
3 percent	\$0	\$0	-\$31,305,000	-\$15,884,000
7 percent	\$0	\$0	-\$30,729,000	-\$15,884,000

Office of Management and Budget Circular A-4 recommends a 7 percent discount rate in general, and a 3 percent discount rate when analyzing the impacts to private consumption. Values are 2003 dollars rounded to the nearest 1,000.

2.7 Uncertainty

There are a number of factors that could affect the estimated impacts presented above. These are summarized below.

- The Winter 2002-03 Visitor Survey indicates potential impacts for visitors who do not access the park by snowmobile or snowcoach due to interactions with those visitor uses. However, given recent visitor trends and the relatively low level of snowmobile and snowcoach use contemplated under the selected alternative, it is not possible at this time to estimate any such changes in visitor use. Therefore, while recognizing that such changes to visitor benefits are possible under the selected alternative, NPS is unable to quantify those potential impacts.
- NPS recognizes that it is possible that some skiers may be worse off under the maximum scenario if they use snowmobiles or snowcoaches to access trails within the park. Given currently available data, NPS is unable to quantify those potential impacts.
- The Winter 2002-03 Visitor Survey focused on day trips. It appears that snowmobilers prefer to visit the park as one part of a multi-day trip to the area surrounding YNP. While they may have higher consumer surplus for trips outside the park than inside on a given day of their trip, the consumer surplus for their entire trip would be higher if they could spend part of their trip in the park, and they may choose not to make the trip to the area surrounding YNP if the park is unavailable for snowmobiling. Therefore, focusing on day trips may understate the value of being able to snowmobile in the park.
- There is insufficient information available to include impacts on people who do not visit the park but derive benefits (or passive use values) from the knowledge that park resources are protected. Including these passive use values could increase the consumer surplus associated with the selected alternative under the maximum scenario.
- The estimates of producer surplus do not account for adaptations that businesses may make under the maximum scenario. Businesses may be able to partially offset their impacts through adaptations to address the demands of a different mix

- of visitors. Thus, by not accounting for this adaptive behavior, the producer surplus impacts estimated above may be overstated under the maximum scenario.
- The recent changes in the winter use plan have introduced a measure of uncertainty. Any change in visitation due to uncertainty over future management restrictions in the park that has occurred over the last few years will influence all of the projections used in the current analysis. However, it is not clear whether the prospect of future restrictions will cause an increase or decrease in visitation.

3.0 Regulatory Flexibility Analysis

Changes to the management of winter use in YNP will potentially affect the economic welfare of all area businesses, organizations, and governmental jurisdictions, large and small. However, small entities may have special problems in complying with such regulations. The Regulatory Flexibility Act of 1980, as amended in 1996, requires special consideration be given to these entities during the regulatory process.

To fulfill these requirements, Federal agencies must perform a review to determine whether the selected or final rule will have a significant economic impact on a substantial number of small entities. This section identifies the small businesses potentially affected by the selected alternative, provides a screening-level analysis that assists in determining whether this rule is likely to impose such an impact, and provides a regulatory flexibility analysis.

The cost-benefit analysis described above quantified the impacts of the selected alternative under two scenarios (“expected” and “maximum”). The expected scenario is considered most likely to occur given recent trends in snowmobile use (see Table 1), the current economic downturn, the short two-year interim period, and the likelihood of continued uncertainty of the public regarding the winter use plan. The impacts arising from the expected scenario are de minimis. The impacts associated with the maximum scenario would be negative, but are considered unlikely. This regulatory flexibility analysis also relies on the determination that the expected scenario is most likely to occur.

3.1 Identifying Small Entities

Small entities potentially affected by the selected alternative include companies providing snowmobile rental services, those providing guided tours (which are available for snowmobiling, riding snowcoaches, or cross-country skiing), lodging establishments, restaurants, grocery stores, and other retail businesses. Because businesses that offer winter recreational services are likely to be most affected, the focus of this analysis is on those firms.

In analyzing the small business impacts of the selected alternative, NPS identified numerous companies providing recreational services in the area surrounding the park (RTI International, September 2007). There were 43 different businesses identified that offered snowmobile rentals (including 21 concessionaires that offer guided tours), 13

companies offering snowcoach tours, and 14 companies offering guided cross-country skiing tours (including 10 companies offering tours through the park), although there may be others. The total number of unique businesses identified was only 54 because many of these businesses offer more than one recreational activity.

A number of these businesses have multiple establishments in the area. A total of 84 establishments have been identified as being owned by these 54 firms. A large number of the snowmobile and snowcoach companies are located in West Yellowstone. Fifteen businesses offer snowmobile rentals, and five provide snowcoach rentals in West Yellowstone (three of these firms provide both snowmobile and snowcoach rentals). Overall, 33 establishments owned by companies providing winter recreational services were identified in West Yellowstone. Jackson, Wyoming, was second to West Yellowstone in number of snowmobile rental companies, with 13 companies identified. The city with the most companies providing cross-country skiing tours is Bozeman, Montana, with two businesses. The rest of the companies are spread among numerous communities in the greater Yellowstone area.

The Small Business Administration's (SBA) general size standard definitions for these industries (NAICS 532292 - Recreational Goods Rental, and NAICS 561520 - Tour Operators) classify companies with annual sales less than or equal to \$5 million as small.⁴ Only one firm interviewed provided an estimate of their annual revenue. That firm estimated their gross revenue to be \$6.5 million, with \$955,000 of that from renting snowmobiles.⁵ When available, revenue estimates were obtained for the rest of the firms from *InfoUSA* (2004).

Among the businesses offering snowmobile, snowcoach, and/or cross-country skiing rentals and tours with available data, 15 have sales less than \$500,000, 10 have sales between \$500,000 and \$1 million, 13 have sales between \$1 and \$3 million, 2 have sales between \$3 and \$5 million, 5 have sales between \$5 and \$10 million, and 3 firms have estimated sales between \$10 and \$25 million. Cross-Country skiing companies are not directly affected by this selected regulation, but they may experience impacts on their business following changes in winter use management. No information on annual revenue could be located for the remaining six companies identified.

Using the SBA criterion above and available sales estimates, 40 out of 48 businesses offering unguided snowmobile rentals or guided tours (either snowmobile, snowcoach, or skiing) with available revenue estimates were classified as small businesses.⁶ For the purposes of this analysis, the remaining six companies for which no

⁴ Five million dollars is also the threshold for hotels and motels (NAICS 721110), restaurants (NAICS 722110), and souvenir shops (NAICS 453220) to be classified as small businesses. For gas stations without convenience stores (NAICS 447190), the small business threshold is \$6.5 million, and for supermarkets and grocery stores (NAICS 445110) and gas stations with convenience stores (NAICS 447110), the cutoff is \$20.0 million.

⁵ Information provided by the business to Michelle Bullock, RTI International (pers. com., January 2001).

⁶ Some of these businesses may be owned by the same parent company. When this occurs and information is available, revenue estimates are for the parent company. Some businesses have insufficient information on company structure, so these were treated individually.

revenue estimates could be located were assumed to be small businesses. Thus, 46 out of 54 companies offering recreational services in the area were classified as small businesses.

Although these rental shops and tour operators may be affected most directly, numerous hotels, restaurants, gas stations, and retail establishments may also experience an impact from the selected alternative. Because the primary direct impacts are expected in the equipment rental and guided tour sectors, revenue estimates for businesses in other tourism-related sectors were not collected. Instead, it was assumed that they are all small businesses.

3.2 Impact Analysis

For the purposes of assessing the potential economic impact of this rule on small entities, NPS estimated the change in business revenue under the selected alternative relative to the baseline. The resulting changes in producer surplus across all firms are presented in Section 2.4 of this report. The estimated change in company revenue under the selected alternative relative to total annual revenue provides a basis for evaluating the magnitude of the impact on typical affected companies. In addition to this “affordability” analysis, this section includes assessments of the potential for the selected alternative to have disproportional impacts on small entities or to cause business closures.

Compared with the baseline, the selected alternative is expected to result in de minimis visitation changes in YNP (see Table 2). Thus, the selected alternative is expected to impose zero impacts on small businesses. Under the maximum scenario, small businesses may see impacts as described in Section 2.4 of this report. However, the maximum scenario is considered unlikely.

Affordability Analysis

An affordability analysis is an assessment of the ability of affected entities to meet costs imposed by regulatory policies. In the expected scenario, de minimis changes in winter use levels are expected with commensurate impacts to businesses. Therefore, these businesses are expected to be able to afford compliance with the regulatory action. In the unlikely event that the maximum scenario would occur, small businesses may have a decrease in revenue.

Given that the expected scenario is most likely, NPS anticipates only de minimis changes in visitation as a result of implementing the selected alternative. Thus, changes in business revenue will also be de minimis with commensurate impacts to the affordability of small businesses.

Disproportionality Analysis

NPS does not expect small entities to be substantially disadvantaged relative to large entities. First of all, although the entities identified vary substantially in size, 85%

of operators identified are small businesses. Second, small entities are expected to have de minimis impacts under the selected alternative.

Business Closure Analysis

As noted above, small businesses are expected to have de minimis changes in revenue under the selected alternative. Therefore, no business closures are expected under the selected alternative.

3.3 Regulatory Flexibility Analysis

Section 603(b) of the Regulatory Flexibility Act (as amended) requires each regulatory flexibility analysis to address the following points.

- Reasons why the rule is being considered
- The objectives and legal basis for the rule
- The kind and number of small entities to which the rule will apply
- The projected reporting, record keeping, and other compliance requirements of the rule
- All federal rules that may duplicate, overlap, or conflict with the rule

In addition, Section 603(c) requires a description of any significant alternatives that may reduce the regulatory burden on affected small entities.

Reasons why NPS is considering this rule: In May 1997, NPS was sued for allegedly failing to comply with the NPS Organic Act, National Environmental Policy Act (NEPA), Endangered Species Act, and other federal laws and regulations. NPS subsequently settled the lawsuit, in part by an agreement to prepare winter use plans based on an Environmental Impact Statement (EIS). A Record of Decision (ROD) on the winter use plans for the parks was signed on November 22, 2000. The new rule was published in the Federal Register on January 22, 2001. On December 6, 2000, a lawsuit filed by the International Snowmobile Manufacturers Association asked for the pending decision, reflected in the ROD and final rule, to be set aside on the basis of NEPA process infractions. The Department of the Interior negotiated a settlement that became final on June 29, 2001. Through the terms of that settlement, NPS agreed to prepare a Supplemental EIS (SEIS). The draft SEIS, published on March 29, 2002, examined two alternatives to allow some form of snowmobile access to continue: a no-action alternative that would implement the November 2000 ROD and another alternative that would implement the no-action alternative 1 year later to allow additional time for phasing in snowcoach-only travel.

On November 18, 2002, NPS published a final rule based on the Final EIS, which generally postponed for 1 year implementation of the phase-out of snowmobiles in the park pursuant to the January 2001 final rule.

The Notice of Availability for the Final SEIS (FSEIS) was published on February 24, 2003. The FSEIS included a new alternative, Alternative 4, which was identified as

the preferred alternative. A ROD for the FSEIS was signed on March 25, 2003. The ROD selected FSEIS Alternative 4 for implementation, and it enumerated additional modifications to that alternative.

On December 11, 2003, NPS published a final rule based on the FSEIS Alternative 4. However, on December 16, 2003, a DC District Court judge ordered NPS to implement the 2001 rule. In February 2004, a Wyoming District Court judge temporarily halted implementation of the 2001 rule. A temporary rule was implemented to cover the winter seasons of 2004–05 through 2006–07.

In December 2007 a new winter use regulation was promulgated for the 2007-08 winter season and beyond. However, in a lawsuit filed by a coalition of environmental groups, the DC District Court invalidated the 2007 regulation, deciding that the rule failed to protect park resources. Finally, in November 2008 the Wyoming District Court ordered the reinstatement of the 2004 regulation, without its sunset provision, until NPS promulgates an acceptable rule to take its place. The result of that decision is the continued authorization for snowmobile access as provided by the 2004 regulation.

The selected winter use plan addressed by the current analysis is being implemented to permit snowmobile use while protecting park resources.

The objectives and legal basis for the rule: The selected alternative will implement a plan to manage snowmobile and snowcoach use in YNP with restrictions on the number of snowmachines that may enter the park daily, requirements for all snowmobilers to be on guided tours, and a requirement that snowmobiles used in the parks must meet BAT standards for emissions and noise. These requirements will allow continued winter use of the park while reducing the impacts on park resources and values from snowmachine use.

Snowmachine use in national parks is subject to the provisions of various legal mandates, including the NPS Organic Act, the Clean Air Act, Executive Orders, and NPS regulations and management policies. The most recent court decision reinstated the 2004 regulation without its sunset provision. Therefore, absent implementation of any regulatory action, snowmobile and snowcoach use would not be authorized during the 2009-10 winter season in the park according to that regulation. The selected alternative will regulate recreational snowmachine access while protecting park resources and values.

The kind and number of small entities to which the rule will apply: The rule may affect numerous small entities that supply snowmobile rentals, lodging, restaurants, gas, and other retail, each having \$5 million or less in annual sales, in addition to other small businesses in local communities. There were 54 businesses offering snowmobile rentals, snowcoach rentals, and/or cross-country ski rentals identified in the region (owning 84 establishments). Based on revenue data from *InfoUSA* for these companies, NPS estimates that 46 of these entities are small businesses. NPS expects this rule to

have no significant impacts on all identified small entities as well as on additional small entities that could not be identified.

The projected reporting, record keeping, and other compliance requirements of the rule: There are no reporting, record keeping, or other compliance requirements for the rule beyond the winter use management restrictions already identified (i.e., daily entrance limits, BAT requirements, and snowmobile guiding requirements).

All federal rules that may duplicate, overlap, or conflict with the rule: NPS is unaware of any Federal rules that duplicate, overlap, or conflict with this selected alternative.

Alternatives that may reduce the impacts on small businesses: NPS considers the expected scenario most likely with de minimis impacts to businesses. This is due to recent trends in snowmobile use (see Table 1), the current economic downturn, the short two-year interim period, and the likelihood of continued uncertainty of the public regarding the winter use plan. Therefore, the selected alternative is expected to yield de minimis impacts for all businesses in YNP, both large and small.

3.4 Assessment

Based on the analyses described in this report, and after considering the economic impacts of the selected alternative on small entities, NPS concludes that the selected alternative will not impose significant impacts on small businesses.

4.0 References

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