



The Outer Banks Chamber of Commerce

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May 6, 2010

Mike Murray, Superintendent
Cape Hatteras National Seashore
1401 National Park Drive
Manteo, NC 27954

Dear Supt. Murray:

The Outer Banks Chamber of Commerce, on behalf of its more than 1,000 members with businesses in Dare, Hyde and Currituck counties, vehemently disagrees with the validity of the economic impact analysis included in the Draft Environmental Impact Statement for proposed new rules for access to the Cape Hatteras National Seashore.

Not only does the analysis not adequately convey the economic impact of the proposed Alternative F, it fails to address any of the alternatives listed in the DEIS. The data is incomplete, misleading and the statements of what are supposed to be facts are without sound basis. The area is unique because it is removed from any large populations and has limited transportation infrastructure. These two points translate into a very high cost of living which gained no mention in the DEIS.

Part of the problem of the economic impact analysis seems to be that its authors lack familiarity with the area.

Dare County, the largest county in the state, includes 1584 square miles, of which only 384 square miles are land; the remaining area encompasses a large portion of the Pamlico Sound. Although there are six municipalities and an unincorporated portion of the county, only about 25 square miles -- 16,000 acres -- are both suitable for development and in private ownership. The remaining land is held in conservation by nonprofits or owned government entities - primarily US Fish and Wildlife Service and the National Park Service. Thus, approximately 6.5 percent of the county's buildable land area is used to support approximately 30,000 residents.

The Dare County portion of the Outer Banks stretches about 80 miles from north to south. Each of the towns, as well as the villages in the Cape Hatteras National Seashore, has a distinct personality and socioeconomic make-up ranging from wealthy retirees in the towns of Duck and Southern Shores in the northern part of the county to Hatteras village, a commercial fishing village, on the south end of Hatteras Island. Access to Hatteras Island is limited to NC 12 from the north, a ferry that runs between Hatteras and Ocracoke islands, and a small landing field.

Ocracoke Village in Hyde County also is unique in geographic as well as socioeconomic character. Located on the 16-mile-long Ocracoke Island, the village is situated on approximately 600 acres of buildable land. The remainder of the island is owned by the federal government and is part of the national seashore. The only access is by ferry, boat or small plane. Although Ocracoke village is home to only 10 to 15 percent of Hyde County's population, it provides approximately 50 percent of the tax revenue for the entire county, the bulk of which is on the mainland.

The primary product of the region is both simple and unique. The environment, history and culture of the area are intricately woven together into a tapestry that makes up what is in effect the largest outdoor interactive museum in the world.

Deficiencies in the economic impact analysis:

1. Page 566 in the DEIS states "To provide information for the economic analysis, a survey was conducted by RTI, International of selected categories of potentially affected businesses. The results of this survey are currently being analyzed and will be addressed in the final plan/EIS." Page 571 also notes that data is still being analyzed and will allow future analysis of the economic impact. How is it possible to comment on something that does not yet exist?

2. Page 566, table 63 uses what it purports to be revenues from 2004 when current data was available. And the revenues in the table are incorrect even for 2004 and don't appear to include Ocracoke village.

3. Page 568 uses "visitation" statistics reported annually by the National Park Service. These statistics are based on traffic counts, the amount of which is then multiplied by a formula. There is no way to know if vehicles have five passengers or just a driver or whether they are even a visitor. The formula utilized doesn't take into account events such as high numbers of construction vehicles in the area due to storm damage or other extraordinary events. Attempts often are made to use the gross occupancy tax collected as a method to determine the number of visitors, however, there are numerous confounders that negate this from being a reasonable barometer for visitation.

There is no valid way to count visitors on the seashore and the only gauge of impacts available is current data such as unemployment, increases/decreases in government aid, etc. in a given locality.

4. Page 595, table 80. There is no logical basis for this table and it seems to attempt to dilute impact by including all portions of Hyde and Dare counties. And there appears to be no basis for the footnote that states that 54 percent of the direct impact is expected occur in the Seashore villages. Obviously direct impact is going to be felt most by those in the seashore and it will be substantially more than 54 percent.

5. Page 595. "This uncertainty may impact small businesses disproportionately." By Small Business Administration's definition almost all of the businesses in the seashore are small businesses.

6. Page 56. "This alternative would involve the construction of a pedestrian access trail and improvements and additions to the interdunal road system."

Page 80. "...by improving interdunal road and ORV ramp access. Pedestrian access would be enhanced by providing increased parking capacity at various points of access to vehicle-free areas..."

Page 81. "would include the construction of a short ORV route to access a new pedestrian trail to the sound on Ocracoke Island..."

Page 593. "...additional pedestrian and ORV access would be facilitated by construction and relocation of access ramps, and the designation of ORV access corridors at Cape Point and South Point."

Page 598. "The extra efforts to increase ORV access and pedestrian access should increase the probability that the impacts are on the low rather than high end of the range."

The inclusion of these forward-looking statements is troublesome. There is no appropriation in the NPS budget through 2011 for these plans so they should not be used to imply that they will minimize economic impact. Furthermore, given the inherent unpredictability of each future budgetary cycle after FY 2011, it would be difficult or impossible to quantify any economic impact of these improvements given the likelihood they will be implemented over an unknown term and are likely subject to additional modification dependent on future budgetary constraints.

Leaving these statements in the DEIS or using them as a basis to determine/predict/minimize economic impact could raise questions about compliance with the Antideficiency Act described on Page 40.

7. In the beginning of the DEIS, there is a list of federal rules, policies, etc. that the DEIS must comply with. Missing from this list is compliance with the Regulatory Flexibility Act which requires "federal agencies to consider the effects of their regulatory actions on small businesses and other small entities and to minimize any undue disproportionate burden." The economic impact analysis in this document does not comply with that and thus should not be certified.

8. There has been no obvious attempt to gauge indirect impact. Because they are in small, semi-isolated communities, businesses in the seashore villages must depend to varying degrees on vendors outside the area for supplies and services. Any decrease in visitors in the villages translates into a decrease for their chosen purveyors.

Also ignored is that any negative financial impact in the seashore villages in Dare County translates into decreased revenues from a county-wide occupancy tax which is shared by the six municipalities and the county. A decrease in the amount collected on Hatteras Island reflects in the amount of the pool that is divided amongst the local governments.

In Hyde County, the importance of the revenues generated in Ocracoke village can not be overstated. The small village is the economic engine of the rural county which is among the poorest in the state. Any decrease in revenues translates into further straining budgets for schools, emergency personnel and other critical services provided and/or funded by the county.

9. Since the implementation of the Consent Decree, there have been documented impacts to the seashore villages that are verifiable and should be included in any economic analysis related to the DEIS and its proposed alternative. Although the country is in a nationwide economic downturn and gas prices have added to the woes, Hatteras Island has had disproportionate adverse impacts compared to the rest of the county.

The following data should be included in the economic analysis related to the implementation of the Consent Decree:

In September 2009, (the first full year under the Consent Decree) the beginning of the prime fall fishing season – Dare County as a whole experienced an unemployment rate of 6.8 percent, one of the lowest in the state, but when the North Carolina Division of Labor Marketing broke the unemployment down to zip codes it showed that Hatteras Island's villages had extraordinary unemployment. The island as a whole had 12.8 percent unemployment. When broken down to the villages, Salvo was at 28 percent; Buxton 16.5 percent; and Rodanthe was 12.4.

According to data provided by the Dare County Social Services, in 2009, the first full year under the Consent Decree, the Hatteras Island increase in individuals applying for food stamps was 81.6 percent over 2008. The remainder of Dare [north of Oregon Inlet] 56.6 percent, and the countywide 59.3 percent.

In October 2009, Cape Hatteras United Methodist Men's Emergency Assistance and Food Pantry reported that requests for food and other assistance in the seashore villages were continuing to rise. In 2008, the group paid out \$56,000 the entire year to help with utility bills, rent, etc.. but in 2009, the amount was surpassed before the end of October.

Other issues of concern

10. Page 58. "Beach access points and boardwalks compliant with the American with Disabilities Act requirements would be provided at Coquina Beach, the Frisco Boathouse, the Ocracoke Pony Pen and the Ocracoke day use area...Beach wheelchairs could be checked out at each district on a first-come, first-served basis."

These statements raise the same issues as those listed in item 6 above.

In addition, if the projects are removed from the alternative chosen, it then raises questions about compliance with the Architectural Barriers Act of 1968 and the Americans with Disabilities Act of 1990.

A large number of commenters at the recent public hearings specifically expressed concerns about those with disabilities and others who have an inability to walk long distances and would no longer be able to enjoy the seashore, particularly those who fish.

11. In March of this year, "A Review and Synthesis of the Scientific Information Related to the Biology and Management of Species of Special Concern at Cape Hatteras National Seashore, North Carolina" by authors Jonathan B. Cohen, R. Michael Erwin, John B. French, Jr., Jeffrey L. Marion, and J. Michael Meyers was published by the U.S. Geological Survey's Patuxent Wildlife Research Center (PWRC) which conducted the original study at the National Park Service's request in 2005. According to the published report's summary, the intention was to "review, evaluate, and summarize the available scientific information for selected species of concern at CAHA (piping plovers, sea turtles, seabeach amaranth, American oystercatchers, and colonial waterbirds). This work consisted of reviewing the scientific literature and evaluating the results of studies that examined critical life history stages of each species, and focused on the scientific findings reported that are relevant to the management of these species and their habitats at CAHA...Although no new original research or experimental work was conducted, this synthesis of the existing information was peer reviewed by over 15 experts with familiarity with these species...To ensure that the best available information is considered when assessing each species of interest at CAHA, this review included published research as well as practical experience of scientists and wildlife managers who were consulted in 2005. PWRC scientists evaluated the literature, consulted wildlife managers, and produced an initial draft that was sent to experts for scientific review. Revisions based on those comments were incorporated into the

document. The final draft of the document was reviewed by NPS personnel to ensure that the description of the recent status and management of these species at CAHA was accurately represented and that the report was consistent with our work agreement..."

The document has been at the center of controversy since first referenced during the negotiated rule-making process. There are continuing questions about whether it was peer reviewed per the USGS guidelines and although the published version states that there is no new science or additions to it, there are a number of changes that are referenced as being the result of research that occurred after the original document was produced.

Questioned about the peer review process, a spokesperson for USGS responded that the acknowledgments at the end of each chapter of the original document was actually the list of those who peer reviewed that particular section. Calls to some of those listed as such said that they had never seen the document and therefore had not peer reviewed it. Those acknowledgments are not at the ends of the chapters in the published version of the report.

Federal environmental regulations are to be based on best available science, yet the process to ensure that seems to be missing in this instance. This matter should be referred to the Department of Interior Inspector General with a request that the science we reviewed and that an investigation be conducted to determine if in fact the USGS complied with its own peer review guidelines.

12. The Outer Banks Chamber of Commerce supports the adoption of Alternative A - aka the Interim Plan. Under the plan there was negligible economic impact, however, there was an increase in piping plovers that was clearly demonstrated by increased numbers in 2007 and in 2008. In the latter year, the Consent Decree went into effect but not until after the nesting season was underway. In 2009, the first full year under the decree, the numbers actually declined. This alternative was based on science and balanced access by the public with protection of the wildlife.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul N. Tine". The signature is written in a cursive, flowing style.

Paul N. Tine, Chairman
Outer Banks Chamber of Commerce
Board of Directors