October 3, 2022

United States Forest Service Swan Lake Ranger District Attn: Shelli Mavor (Holland Lake Lodge) 200 Ranger Station Road Bigfork, Montana 59911

Re: 1950 (0110): Proposed Holland Lake Lodge Facility Expansion

Submitted electronically via:

To: Flathead National Forest Supervisor Kurtis Steele,

The Flathead National Forest must deny the proposed major expansion of Holland Lake Lodge by POWDR, Inc./Holland Lake Lodge, Inc. (POWDR).

Forest Service regulations governing the processing of commercial special use permit applications require that the proposed occupancy and use of National Forest System lands meet nine minimum criteria. POWDR's proposal fails to meet at least five of these criteria. because:

- 1. The proposed use is not consistent with Forest Service policies governing National Forest System lands. (36 CFR 215.54(e)(1)(i))
- 2. The proposed use is not consistent with the Flathead Forest Plan. (36 CFR 215.54(e)(1)(ii))
- 3. The proposed use would create a perpetual right of use and occupancy. (36 CFR 215.54(e)(1)(iv))
- 4. The proposed use is incompatible with the purposes for which the lands are managed and other uses. ((36 CFR 215.54(e)(5)(i))
- 5. The proposed use would not be in the public interest. (36 CFR 215.54(e)(5)(ii))

The following pages described in detail how POWDR's proposed expanded occupancy and use of National Forest System lands for commercial resort lodging and associated services fails to meet the requirements of regulations. But it is worth highlighting here one particularly blatant violation of Forest Service policy. The Forest Service Manual in Chapter 2340, providing agency-wide policy direction for Privately Provided Recreation Opportunities, states:

3. Denial of Applications by the Private Sector for Recreational Facilities and Services.

Deny applications by the private sector to construct or provide outdoor recreation facilities and services on National Forest System lands if these facilities and services are reasonably available or could be provided elsewhere in the general vicinity. Encourage business

enterprises engaged in providing such facilities and service to locate on private lands or in nearby communities. **FSM 2340.3 - POLICY** 

Outdoor recreation resort facilities are reasonably available on private lands or could be provided elsewhere in the general vicinity. Public lodging accommodations are currently available in Big Fork and Seeley Lake, and other locations within 60 miles of Holland Lake, including resort accommodations at Holland Peak Ranch, Paws Up, Tamarack's Resort, and the The Lodges on Seeley Lake. The cities of Kalispell and Missoula provide abundant lodging opportunities on private lands. For this reason alone, the Flathead National Forest must deny POWDR's proposed special use authorization.

POWDR proposes to expand the existing modest lodge by constructing within the 15 acre permit area 32 new buildings totaling more than 32,000 square feet, including a 13,000 square foot two-story rectangular box, a 3,000 square foot restaurant, 26 cabins, and more. POWDR proposes to construct many of these building, pathways, five¹ parking areas, and other facilities to within 20 feet of Holland Lake's shoreline. The proposed expansion would increase use by 30,000 or more visitor-days per year, tripling current use-levels. As a consequence of these proposed actions, POWDR's proposal, if authorized, will:

- deface Holland Lake's beautiful forest shoreline;
- overwhelm already often overcrowded lake waters and area trails;
- threaten Holland Lake's near-pristine water quality;
- harm the lake's threatened bull trout and nesting common loons;
- reduce the amount and quality of habitat for wildlife species;
- significantly reduce habitat connectivity for grizzly bears, Canada lynx, wolverine and other wide-ranging wildlife species in the upper Swan Valley;
- subvert the NCDE Conservation Strategy and potential delisting of the NCDE grizzly bear population; and
- forever change the character of the Swan Valley negatively affecting the quality of life of its residents and the experience of its visitors.

For these reasons, and as confirmed by over 5,000 public comments expressing overwhelming opposition, POWDR's proposal is NOT in the public interest.

<sup>&</sup>lt;sup>1</sup> POWDR's Master Development Plan includes four parking areas. (MDP pg. 13) However, The Flathead National Forest's September 1, 2022 Scoping Letter includes a fifth parking area within the proposed action: expanding the East Holland Lake Connector Trailhead parking area by up to three acres, constructing "barriers" such as boulders or buck and rail fence, hitching rails for stock users and maybe a new vault toilet. (Scoping Letter pg. 5) Confusingly, this element of the proposed action is not mentioned in POWDR's Master Development Plan. It's inclusion suggests that expansion of the East Holland Lake Connector Trailhead is intended to benefit POWDR, or that POWDR is somehow connected to its implementation.

36 CFR 251.54(e), Forest Service policies, the Flathead Forest Plan, and the public interest require that the Flathead National Forest deny POWDR's proposal. The Forest Service has ample legal authority, and clear responsibility, to deny POWDR's proposal. You can do it. It's not hard. Exhibit A, on the final two pages of this comment, provides an example from your colleagues on the Kaibab National Forest.

The Forest Service might suggest POWDR submit a new application that maintains the current, actual<sup>2</sup> number and total size (square footage) of buildings within the permit area, maintains the current actual seasonal use period, and does not increase guest capacity beyond the level existing in 2011.<sup>3</sup> If the Flathead National Forest believes there is a compelling need for additional commercial resort lodging capacity, the Forest Service should encourage pursuit of that goal on private land, outside of National Forest System lands in the Swan Valley Geographic Area, and outside the Primary Conservation Area for grizzly bears.

If the Flathead National Forest insists on further wasting taxpayer funds and human resources on POWDR's proposal by conducting additional planning procedures, the Forest must prepare EIS.

Below are more thorough explanations of the reasons why the Flathead National Forest must deny POWDR's proposal and why the Forest's intention to use a categorical exclusion is unlawful.

Sincerely,

Jim Morrison PO Box 8151 Missoula, MT 59807

<sup>&</sup>lt;sup>2</sup> Not the maximum theoretically possible under the 2017 permit, or prior permits, or the dreams of prior permit holders (See POWDR's Master Development Plan (MDP) pgs. 5-7).

<sup>&</sup>lt;sup>3</sup> The general approach of NCDE Grizzly Bear Conservation Strategy is to maintain habitat conditions that existed in 2011, often referred to as the "baseline," a period when the grizzly bear population was stable to increasing. NCDE Conservation Strategy pg. 16. The Record of Decision for the Flathead Forest Plan states "Alternative B modified is designed to maintain on-the-ground conditions that supported a stable to increasing grizzly bear population while also allowing resource management activities to continue at about the same levels that occurred during the same time period." ROD pgs 30-31.

## I. POWDR's proposal fails to meet minimum screening criteria of 36 CFR 251.54(e)

Forest Service regulations establish nine minimum screening criteria that any commercial application for use or occupancy of National Forest System lands must meet before the responsible official may consider authorizing an application.<sup>4</sup> If the proposal does not meet all nine screening criteria, the regulations require the responsible official deny the proposal, and cease further processing of the request.

The Forest Service's regulations regarding special uses require the responsible agency official screen proposed commercial uses to ensure they meet "minimum requirements," including:

- the proposed use is consistent with laws, regulations, orders, and policies establishing or governing National Forest System lands<sup>5</sup>;
- the proposed use is consistent or can be made consistent with standards and guidelines in the applicable forest land and resource management plan<sup>6</sup>;
- the proposed rule will not create an exclusive or perpetual right of use or occupancy.<sup>7</sup>

Additional second-level screening criteria require that the responsible agency official "shall reject" proposals where:

- the proposed use would be inconsistent and incompatible with the purposes for which the lands are managed and with other uses;8 and
- the proposed use would not be in the public interest.9

The Flathead National Forest must deny POWDR's proposal because the proposal does not conform with these five minimum screening requirements.

#### A. POWDR's proposal is not consistent with Forest Service policies.

36 CFR 251.54(e)(1)(i) requires that the responsible official ensure that the proposal:

"...is consistent with the laws, regulations, orders, and **policies** establishing or governing National Forest System lands, ...." (emphasis added)

<sup>&</sup>lt;sup>4</sup> 36 CFR 251.54(e)(1) and (e)5. See generally, Forest Service Handbook FSH 27809.11 - Special Uses Handbook.

<sup>&</sup>lt;sup>5</sup> 36 CFR 251.54(e)(1)(i)

<sup>6 36</sup> CFR 251.54(e)(1)(ii)

<sup>&</sup>lt;sup>7</sup> 36 CFR 251.54(e)(1)(iv)

<sup>8 36</sup> CFR 251.54(e)(5)(i)

<sup>&</sup>lt;sup>9</sup> 36 CFR 251.54(e)(5)(ii)

Forest Service policies are established in Federal regulations and the Forest Service Directives System, which is the primary source of administrative direction to Forest Service employees. The Directives System consists of the Forest Service Manual (FSM) and Handbooks (FSH). FSM Chapter 2340 - Recreation, Wilderness, and Related Resource Management and FSH 2709.11 - Special Uses Handbook are the primary source of policy direction governing issuance and management of recreation special use permits, such as POWDR's.

POWDR's proposed use violates the following nine Forest Service policies established in Forest Service Manual (FSM) 2300 - Recreation, Wilderness, and Related Resource Management. Because POWDR's proposal is not consistent with Forest Service policies provided by the Forest Service Manual, it does not satisfy the screening criteria of 36 CFR 251.54(e)(1)(i). The responsible Forest Service official is required to deny the proposal.

## 1. **FSM 2340.3 - Policy** states:

"Deny applications by the private sector to construct or provide outdoor recreation facilities and services on National Forest System lands if these facilities and services are reasonably available or could be provided elsewhere in the general vicinity. Encourage business enterprises engaged in providing such facilities and services to locate on private lands or in nearby communities."

This official Forest Service policy<sup>10</sup> is very clear, and directly applicable to POWDR's proposal. HLL Inc./POWDR, Inc. are obviously private sector businesses. The permit area is entirely on National Forest System lands. Outdoor recreational resort facilities are reasonably available on private lands or could be provided elsewhere in the general vicinity. Public lodging accommodations are currently available in Big Fork and Seeley Lake, and other locations within 60 miles of Holland Lake, including outdoor recreation resort accommodations at Holland Peak Ranch, Paws Up, Tamarack's Resort, and the The Lodges on Seeley Lake. The cities of Kalispell and Missoula provide abundant lodging opportunities on private lands. Additional outdoor recreation lodge facilities could be provided on private lands elsewhere in Missoula and Flathead counties.

Approval of POWDR's proposal would obviously violate this explicit and directly applicable Forest Service policy. The Flathead National Forest must deny POWDR's proposal and immediately cease further expenditures of public funds processing POWDR's proposal.

## 2. FSM 2343.03 - Policy states

"[a]uthorize concession development only where there is a demonstrated need. Do not permit concession development either solely for the purpose of establishing a

<sup>&</sup>lt;sup>10</sup> The Flathead Forest Plan, under the heading Lands and Special Uses, states: "Special use permits authorize the occupancy and use of NFS land by private, public, and other governmental entities for a wide variety of activities, such as roads, utility corridors, communications sites, and other private, public, or commercial uses, that cannot be reasonably accommodated on private lands." (emphasis added) Flathead Forest Plan pg. 69.

profit-making commercial enterprise or where satisfactory public service is or could be provided on nearby private or other public lands."

There is no demonstrated need for the expansion of profit-making commercial resort lodging on National Forest System lands in the upper Swan Valley. The Flathead National Forest has not completed a needs assessment, in consultation with interested members of the public, as required by FSM 2341.23 (see infra pg. 9), or otherwise documented there is a demonstrated need.

The Flathead Forest Plan does not identify any need, or desired condition or objective, to expand the capacity of "profit-making" lodging in MA7 - Holland Lake Campground, Swan Valley Geographic Area or anywhere else on the Flathead National Forest. The Flathead Forest Plan FEIS does not assert there is a need to expand commercial resort lodging on the Flathead National Forest, Swan Valley Geographic Area, or Management Area 7 - Holland Lake Campground.<sup>11</sup>

Moreover, assuming such a need may exist, satisfactory public service is and could be provided on nearby private lands. Public lodging accommodations are currently available in Big Fork and Seeley Lake, and other locations within 60 miles of Holland Lake, including resort accommodations at Holland Peak Ranch, Paws Up, Tamarack's Resort, and the The Lodges on Seeley Lake. The cities of Kalispell and Missoula provide abundant lodging opportunities on private lands.

Development of additional for-profit resort lodging is more appropriate on private land, with existing or new private land development.<sup>12</sup>

The Flathead National Forest has not provided a demonstrated need to triple the size and capacity of Holland Lake Lodge or claimed that satisfactory public service is not or could not be provided on nearby private lands. Forest Service policy prohibits the responsible official from authorizing POWDR's proposed expansion. Thus, the Flathead National Forest must deny POWDR's application.

3. **FSM 2343.3 - Lodging and Overnight Accommodations** requires that the responsible official:

<sup>&</sup>lt;sup>11</sup> The Flathead Forest Plan Final Environmental Impact Statement (FEIS) documents trends in recreation visitor days, and percentage of visits by activity (skiing, hiking, developed camping, etc.) for the entire National Forest in 2015. (FEIS pg. 322) Recreational visits of all types combined increased by approximately 29 percent from 2005 to 2015. (FEIS pg. 322) Most visitors (83 percent) are from within 100 miles and 10 percent travel over 500 miles to visit. (FEIS pg. 321) Resort use is de minimis, and the FEIS reports the capacity of lodges on the Forest is 13 rooms. (FEIS pg. 328) Nowhere does the Forest Plan or FEIS assert that there is a significant demand for increased resort lodging capacity on the Flathead Forest.

<sup>&</sup>lt;sup>12</sup> The Flathead Forest Plan, under the heading Lands and Special Uses," states: "[s]pecial use permits authorize the occupancy and use of NFS land by private, public, and other governmental entities for a wide variety of activities ... **that cannot be reasonably accommodated on private lands**." (emphasis added) Flathead Forest Plan pg. 69

"[a]uthorize provision of lodging accommodations on National Forest System lands only where there is a public need for the facilities and where there is no suitable private land for such facilities within a reasonable distance."

For the same reasons as described above, there is no public need for POWDR's proposed expansion, and if there was, numerous areas of private land exist for such facilities within a reasonable distance. Thus, Forest Service policy requires that the responsible official deny POWDR's proposed expansion.

4. **FSM 2343.3 - Lodging and Overnight Accommodations** requires that the responsible official:

"[r]equire operation, management, and marketing of lodging and overnight accommodations in a manner that ensures the general public has full access to the facilities. Deny exclusive or preferential use by holders, their employees, families, friends, business associates, partners, stockholders, lenders, or others who may have a monetary interest in the facilities."

POWDR's Master Development Plan includes construction of several gates on trails and the entry driveway/road accessing the permit area.<sup>13</sup> It is uncertain whether the "general public," as opposed to the "paying-public," will be allowed to access National Forest System lands within the permit area, or whether they will be excluded from full access to the beach and Holland Lake shoreline within the permit area, or near-shore waters. It will be violation of Forest Service policy to approve POWDR's permit without explicit permit terms ensuring "the general public has full access to the facilities," permit area, and lake waters.

5. **FSM 2343.03 - Policy** requires that the responsible agency official:

"[g]ive priority to developments offering moderately priced accommodations and services as opposed to luxurious accommodations and services affordable only to the affluent."

Currently, Holland Lake Lodge, Inc. charges guests \$300-\$400 per night.<sup>14</sup> Holland Lake Campground, a public, Flathead National Forest developed campground charges guests \$20 a night for space for tent and parking, picnic table, fire ring, hand-pumped-well-water, and vault toilet - near the lake.<sup>15</sup>

Neither the Flathead National Forest or POWDR have informed the public of the fee schedule likely to be charged the public after expansion is completed. However, given the substantial

<sup>&</sup>lt;sup>13</sup> MDP Figure 3 Site Plan pg. 13.

<sup>&</sup>lt;sup>14</sup> On September 15, 2022, the website for Holland Lake Lodge listed guest fees for Lodge rooms as \$300/night single occupancy and \$340/night double occupancy for two-night stays. There is a \$30 surcharge for one-night stays. Cabins at Holland Lake Lodge currently cost \$380/night single and double occupancy with variable surcharges for additional kids, teens, or adults. These rates include three meals per day, housekeeping, and wireless internet. <a href="https://www.hollandlakelodge.com/lodging/lodge-rooms">https://www.hollandlakelodge.com/lodging/lodge-rooms</a>

<sup>&</sup>lt;sup>15</sup> https://www.recreation.gov/camping/campgrounds/234486?tab=seasons

financial investment required for the purchase and expansion and the substantial "upgrades" and "enhancements" to provide "higher quality accommodations and services," 16 it is a near-certainty that guests charges will be higher, probably significantly higher.

Lodging fees of several hundred dollars per night are at the top end of rates charged for overnight accommodations in most areas of western Montana, and likely would be more than most members of the public can afford or would be willing to pay. The Flathead Forest Plan FEIS reports that 87% of Forest visitors are from within 100 miles.<sup>17</sup> There is no evidence demonstrating that the responsible official has evaluated whether the proposed expansion would offer "moderately priced accommodations and services" or accommodations and services affordable only to the affluent. For these reasons, it would be contrary to Forest Service policy for the responsible official to authorize POWDR's proposed expansion

6. **FSM 2341.5 - Permittee Employee Housing** states the responsible official may approve permittee housing within a permit area <u>only</u> if:

"[t]here is a clear and convincing need for 24-hour, on-site property protection, round-the-clock-public safety, and/or intermittent emergency service at other than normal operating hours and the commuting time between the permit are and the nearest private property available for permittee housing exceeds one hour."

The Master Development Plan for POWDR's proposal includes the construction of a 2,000 square foot building and five RV parking spaces (with electrical and septic hookup) for employee housing. This new employee housing is in addition to an existing 1,300 square foot house built in 2017 referred to in the Master Development Plan as "caretaker's home" and "owner's residence." <sup>19</sup>

The Master Development Plan and the Flathead National Forest's scoping letter do not provide any explanation of why the existing "caretakers home" is not sufficient to provide 24-hour property protection and public safety. There is no documentation in the Master Development Plan or the Flathead National Forest's scoping letter of a need for additional employee housing on National Forest System land as required by Forest Service policy. There is private property within one hour from the permit area for employee housing. Thus, POWDR's proposal is not consistent with official Forest Service policy.

7. **FSM 2341.2 - Planning for Changes in Development and/or Use** requires the responsible official:

"when it appears necessary to change development and/or use of the established site, conduct needs assessments and studies, preferably as part of the forest planning process, and, if appropriate, prepare and approve updated site development plans."

<sup>&</sup>lt;sup>16</sup> MDP pg. 1

<sup>&</sup>lt;sup>17</sup> Flathead Forest Plan FEIS pg. 321

<sup>&</sup>lt;sup>18</sup> MDP pg. 10

<sup>&</sup>lt;sup>19</sup> MDP pg. 9

The Flathead National Forest has not conducted any needs assessments or studies related to POWDR's proposed expansion (see supra pg. 6). The Flathead Forest Plan and associated FEIS provide no information on any need for, or consequences of,<sup>20</sup> expanding commercial resort facilities on National Forest System land in the upper Swan Valley, or elsewhere on the Flathead National Forest.

The Flathead Forest Plan briefly mentions increasing Forest visitation and the need to offer a wide spectrum of recreation opportunities while minimizing conflict between different uses and effects on the environment. This is not a needs assessment. The Forest Plan FEIS is also void of any information on public demand for commercial lodge accommodations or studies addressing the possible significant impacts such as wildlife, fish and water quality, recreation experience of others, effects on that breathtaking scenery, or the comparative public demand for increased capacity of Holland Lake Campground or Holland Lake Lodge.<sup>21</sup>

# 8. **FSM 2341.23 - Needs Assessment for Existing Permitted Sites and Areas** requires the responsible official:

[p]eriodically during the term of the permit, before or at the time of expiration and renewal, or in conjunction with a sale or permit relinquishment, prepare a needs assessment in consultation with the permittee, prospective permittee, and other interested parties. Consider whether the activities, uses, and developments should be continued, modified, expanded, or otherwise changed in order to best serve the public interest." (emphasis added)

The responsible official has not prepared a needs assessment in consultation with interested parties, including current area residents, people who use National Forest System lands in the area, and other interested members of the public. The Flathead National Forest has not provided interested members of the public an assessment of whether the existing facilities should be continued, modified, expanded, or otherwise changed in order to best serve the public interest.<sup>22</sup>

It is contrary to Forest Service policy for the Flathead National Forest to process POWDR's proposed expansion of its special use permit unless and until the Forest prepares, in consultation with the interested public, a needs assessment that evaluates whether the activities, uses, and developments of the Holland Lake Lodge, Inc. permit should be continued, modified, expanded, or otherwise changed in order to be serve the public interest. POWDR's proposed expansion is not consistent with Forest Service policy until that needs assessment is

<sup>&</sup>lt;sup>20</sup> The most extensive discussion of lodges and other developed recreation facilities in the FEIS is about the effects of Forest Plan standards restricting increases in "overnight developed recreation sites." FEIS Volume 2 pgs. 313-338.

<sup>&</sup>lt;sup>21</sup> But since 83% of visitors are from the local area (Forest Plan FEIS pg. 321) - and Holland Lake Lodge likely costing several hundred dollars per night, and the campground costs \$20 per night - I'd bet there's much greater demand for the campground.

<sup>&</sup>lt;sup>22</sup> The more than 5,000 comments responding to the Flathead National Forest's scoping letter urging the Flathead Nation Forest to not approve POWDR's proposal overwhelmingly demonstrate that HLL's proposed expansion does not serve the public interest.

completed and rationally concludes expansion of the Holland Lake Lodge Inc. permit would best serve the public interest.

# 9. FSM 2343.71 - Trailer and Recreation Vehicle Sites requires the responsible official

"[a]llow development of recreation vehicle space with attachments for sewage disposal, domestic water, and electric power only when there is a public need and the facilities cannot be developed on nearby private land."

POWDR's Master Development Plan includes the construction of five Recreation Vehicle spaces with electrical and septic hookup for employee housing.<sup>23</sup> This is not consistent with Forest Service policy. For this reason alone,<sup>24</sup> the Flathead National Forest must deny the proposal.

# B. POWDR's proposal is not consistent with the Flathead Forest Plan and the purposes for which the Flathead National Forest is managed.

Forest Service regulations for processing commercial special use proposals require (1) that proposal be consistent or can be made consistent with standards and guidelines in the applicable land and resource management plan<sup>25</sup> and (2) that the responsible official reject any proposal that is inconsistent or incompatible with the purposes for which the lands are managed, or with other uses.<sup>26</sup>

As described below, POWDR's proposal is not consistent with Flathead Forest Plan management direction pertaining to Riparian Management Zones, Scenery, Swan Valley Geographic Area, and MA7 Holland Lake Camparound.<sup>27</sup>

### 1. Riparian Management Zones (RMZ)

<sup>&</sup>lt;sup>23</sup> MDP pg. 22

<sup>&</sup>lt;sup>24</sup> See also supra pg. 8 discussion of Employee Housing

<sup>25 36</sup> CFR 251.54(e)(1)(i)

<sup>&</sup>lt;sup>26</sup> 36 CFR 251.54(e)(5)(ii)

<sup>&</sup>lt;sup>27</sup> In addition to the screening criteria of 36 CFR 251.54(e), Forest Service planning regulations require that every project be consistent with plan components. 36 CFR 219.15(d) states "Determining consistency. Every project or activity must be consistent with the applicable plan components. A project or activity approval document must describe how the project or activity is consistent with applicable plan components developed or revised in conformance with this part by meeting the following criteria:

<sup>(1)</sup> Goals, desired conditions, and objectives. The project or activity contributes to the maintenance or attainment of one or more goals, desired conditions or objectives or does not foreclose the opportunity to maintain or achieve any goals, desired conditions, or objectives, over the long term."

The Forest Plan identifies the RMZ for lakes over 0.5 acre as 300 feet from the shoreline. The Plan also identifies the *inner* RMZ as 50 feet from the shoreline. The Forest Plan describes the functions or purpose of RMZ's as:

[t]he functions of riparian management zones with aquatic ecosystems include (1) influencing the delivery of coarse sediment, organic matter, and woody debris to streams, (2) providing root strength for channel stability, (3) shading streams, and (4) protecting water quality. A critical function of riparian management zones is to contribute to wildlife habitat use and connectivity. As the interface between aquatic and terrestrial ecosystems, riparian areas provide unique habitat characteristics."29 (emphasis added)

POWDR's proposed actions within the RMZ and inner RMZ are inconsistent and incompatible with these these purposes for which RMZs are managed because the proposal would replace vegetation with buildings, parking lots, driveways/roads and crushed gravel pathways. POWDR's proposed removal of riparian vegetation within the RMZ and inner RMZ are inconsistent and incompatible with the purposes for which RMZs are managed, including delivering wood and organic matter to the littoral zone of Holland Lake, shading of the littoral zone to provide cover and cool water, and protecting water quality. Perhaps most significantly, POWDR's proposal, the construction of 32 buildings and increasing human occupancy within the RMZ and inner RMZ will further degrade the RMZ's ability to provide the "critical function" of contributing to wildlife habitat use and connectivity. As a result, 36 CFR 251.54(e)(5)(i) requires the authorizing official "shall reject" the proposed major expansion of Holland Lake Lodge.

#### Forest-wide desired condition RMZ-01 states

"Riparian management zones reflect a natural composition of native flora and fauna and a distribution of physical, chemical, and biological conditions appropriate to natural disturbance regimes and processes affecting the area. In addition to natural processes, vegetation management activities contribute to vegetation conditions that are resilient. The species composition and structural diversity of native pant communities in riparian management zones, including wetlands, provide summer and winter thermal regulation, nutrient filtering and appropriate rates of surface erosion, bank erosion, and channel migration."

POWDR's proposed action will cause a further deviation from the natural composition of native flora and fauna in the RMZ along Holland Lake's north and west shores. Instead of species composition and structural diversity of native plant communities that provide thermal regulation, and nutrient filtering, the proposed action will construct numerous large buildings, a restaurant, crushed gravel pathways, broad areas of turf lawn, and shoreline "beaches" all within the Holland Lake RMZ. The RMZ within the permit area will not reflect a natural composition of native flora and fauna. Rather, it will reflect a highly developed built environment dominated by buildings, crushed gravel, metal roofs and turf lawn. Nor will it reflect a distribution of physical, chemical, and biological conditions appropriate to natural disturbance regimes and processes affecting the area. Rather, these constructed features will disrupt the flow of species, energy

<sup>&</sup>lt;sup>28</sup> The definitions of RMZ and *inner* RMZ are contained in Forest-wide Standard RMZ-01. Forest Plan pg. 20.

<sup>&</sup>lt;sup>29</sup> Flathead Forest Plan pg. 18.

and other ecological processes that connect riparian and near-shore littoral zones. POWDR's proposed alterations of the Holland Lake RMZ are clearly not consistent with **FW-DC-RMZ-01**.

Forest-wide desired condition **RMZ-06** states:

"Cover conditions in riparian management zones contribute to habitat connectivity for a variety of wildlife species (e.g., Canada lynx, grizzly bear, marten, and fisher)."

Obviously, the actions proposed by POWDR within the RMZ, and the inner RMZ will not maintain cover conditions that contribute to habitat connectivity for wildlife species. Rather, POWDR's proposed construction of a 13,000 square foot two-story lodge, a large restaurant, 26 cabins, gravel footpaths, and other infrastructure within the RMZ along Holland Lake will physically destroy "cover" and habitat connectivity. In addition to the physical destruction of habitat connectivity, the high level of human habitat disturbance proposed within the RMZ, during both the construction and operations phases, will result in a direct loss of habitat and habitat connectivity for many wildlife species, including those specifically mentioned in **FW-DC-RMZ-06**.

The RMZ along the north and west shores of Holland Lake will be a barrier to animal movement and a population sink where large carnivores are displaced or removed. The RMZ will cease to function as a linkage zone, corridor, or provide the habitat connectivity critically needed for species to persist in the future. Thus, POWDR's proposed action is not consistent with **FW-DC-RMZ-06**. It is also incompatible with the purposes for which the Holland Lake RMZ is managed. Therefore, the Flathead National Forest must deny POWDR's proposal.

Forest-wide standard **RMZ-06** applies to the inner RMZ and states:

"Vegetation management shall only occur in the inner riparian management zone in order to restore or enhance aquatic and riparian-associated vegetation." <sup>30</sup>

POWDR proposes to conduct extensive vegetation management, much of which appears to be within 50-feet of the edge of Holland Lake. As described in POWDR's Master Development Plan for the proposed expansion, vegetation management, may occur to within 20 feet of the shoreline. This includes removal of vegetation to facilitate construction of buildings, pathways, and other infrastructure in the *inner* RMZ. It also includes removal and pruning of vegetation to "improve view of the lake." POWDR does not claim, and there's no reason to assume, that POWDR's proposed vegetation management will restore or enhance aquatic and riparian-associated vegetation. Thus, POWDR's proposed action clearly violates **FW-STD-RMZ-06** and the Flathead National Forest must deny it.

### 2. Scenery

<sup>&</sup>lt;sup>30</sup> Flathead Forest Plan pg. 21. The Flathead Forest Plan pg. 208 defines vegetation management as: "[a]n activity that changes the composition, structure, or other characteristics of vegetation to meet specific objectives."

<sup>&</sup>lt;sup>31</sup> See e.g., MDP pg. 23.

Forest-wide desired condition **SCN-02** establishes the desired distribution of scenic integrity objectives.<sup>32</sup> It identifies the scenic integrity objective for areas along the north and west shores of Holland Lake as **High Integrity**.<sup>33</sup> The Forest Plan defines high integrity as:

The valued scenery appears <u>natural</u> or <u>unaltered</u>, yet visual disturbances are present; however, they remain <u>unnoticed</u> because they repeat the form, line, color, texture, pattern, and scale of the valued scenery."<sup>34</sup> (emphasis added)

POWDR's proposal is inconsistent with this desired condition. The combined effects of the numerous large buildings close to the lakeshore and the elimination of screening vegetation<sup>35</sup> will dramatically increase the visibility of unnatural structures from the lake and surrounding landscape, significantly altering the appearance of Holland Lake's shoreline.

POWDR's proposal is blatantly inconsistent with **FW-DC-SCN-02** scenic integrity objective of **High Integrity** for the north and west shores of Holland Lake. A 13,000 square foot two-story rectangular building, ten 650 square foot metal roofed cabins, and the numerous other large buildings proposed for construction to within 20 feet of Holland Lake's shoreline will not appear natural or unaltered. Rather, the existing valued scenery of the shoreline will appear highly altered and quite unnatural. The visual disturbances created by numerous large buildings close to the shoreline will be highly noticeable and visually intrusive to residents and visitors. These negative visual impacts will remain highly noticeable for many decades. As a consequence of these negative visual impacts, the proposed action is not consistent with **FW-DC-SCN-02**.

Forest-wide desired condition 01 for scenery (FW-DC-SCN-01) states:

"The Forest's scenery reflects healthy resilient landscapes and exhibits attributes of the scenic character descriptions (see Appendix F). Mountain silhouettes, meandering rivers, and vast expanses of natural-appearing forests enhance the quality of life for residents and visitors." 36

POWDR proposes to impose numerous large buildings that are anything but "natural-appearing" onto the shoreline forests of Holland Lake. In place of a natural-appearing forest along Holland Lake's shoreline, POWDR's proposal will impose very unnatural-appearing large buildings that, combined with POWDR's proposed removal of screening trees and other vegetation, will drastically reduce the awesome scenic beauty of Holland Lake and thereby reduce, and

<sup>32</sup> Flathead Forest Plan pg. 62

<sup>&</sup>lt;sup>33</sup> Forest Plan figure B-15.

<sup>34</sup> Flathead Forest Plan pg. 201

<sup>&</sup>lt;sup>35</sup> In the context of POWDR's proposed elimination of screening vegetation to improve their view of the lake, it is worth noting that holders of Forest Service Recreation Residence Permits in the Holland Lake area report in scoping comments on POWDR's proposal that the Forest Service has told them they cannot cut trees to create a view the lake.

<sup>&</sup>lt;sup>36</sup> Flathead Forest Plan pg. 62

definitely not enhance, the quality of life for residents and visitors. Rather than help achieve this Desired Condition, the proposed actions will defile the incredible scenic qualities of Holland Lake's "vast-expanse of natural-appearing forests that currently enhance the quality of life for year-round and part-time residents and visitors." As a result, the proposed action is inconsistent with **FW-DC-SCN-01**.

The impacts of the proposed action on Holland Lake's scenery are also inconsistent with **FW-GDL-SCN-02**. This Forest Plan component states:

"To be consistent with the Forest's scenic integrity objectives, deviations that are visible in some areas of the Forest should generally be subordinate to the surrounding landscape and should diminish over time."<sup>37</sup>

The "deviations" in scenic appearance that would be caused by POWDR's proposed action will not diminish over time; rather they would persist and perhaps get worse over time. Moreover, the numerous and large buildings POWDR proposes to build would dominate the visual appearance of Holland Lake's shoreline. As expressed in numerous public scoping comments, in the eyes of many residents and visitors, the proposed major insults to the visual quality of the Holland Lake's lakeshore and surrounding landscape will forever alter and diminish the scenery they value so greatly. Thus, POWDR's proposal is not consistent with **FW-GDL-SCN-02**.

# 3. Swan Valley Geographic Area

The Forest Plan desired condition **(GA-SV-DC-09)** of the Swan Valley Geographic Area includes:

"The portion of the Seeley Clearwater connectivity area from Condon south to the boundary of the Swan Valley geographic area ... provide habitat connectivity for wideranging wildlife species (e.g., grizzly bear, Canada lynx, and wolverine) moving between the Swan and Mission Mountain ranges."

The Holland Lake area is a significant part of the "connectivity area from Condon south to the boundary of the Swan Valley geographic area."

If authorized, POWDR's proposed action would increase recreation use in the upper Swan Valley by an estimated 30,000 to 40,000 visitor-use-days per year,<sup>38</sup> and extend high recreation use levels into the winter. This significant increase in recreation use would negatively affect habitat connectivity for wide-ranging wildlife species in the upper Swan Valley.<sup>39</sup> POWDR's proposed large increase in commercial recreation use is on top of existing high use levels in the upper Swan Valley. The cumulative effects of POWDR's proposed large increase in recreation use levels, POWDR's physical destruction of connectivity habitat in the riparian management

<sup>&</sup>lt;sup>37</sup> Flathead Forest Plan pg. 63

<sup>&</sup>lt;sup>38</sup> See September 28, 2022 Scoping Comments from Montana Wildlife Federation.

<sup>&</sup>lt;sup>39</sup> See generally, Larson, et al. (2016) Effects of Recreation on Animals Revealed as Widespread through a Global Systematic Review. PLoS ONE 11(12): <u>e0167259</u>. <u>doe: 10.1371.pone/journal.pone.0167259</u>

zone along Holland Lake,<sup>40</sup> and the existing high recreation use levels would significantly reduce habitat connectivity of the upper Swan Valley. Thus, PWDR's proposal is inconsistent with Forest Plan desired conditions for the Swan Valley Geographic Area (**GA-SV-DC-09**).

## 4. Management Area 7 - Holland Lake Campground

The Forest Plan desired condition (**GA-SV-MA7-Holland Lake-DC**) for Holland Lake Campground is:

"Holland Lake Campground and associated facilities provide quality visitor experiences in a natural setting. Facilities are maintained to a standard that protects Forest resource and are updated to accommodate current and anticipated recreational use."

POWDR's proposal would eliminate the Forest Service's ability to achieve this desired condition because, under **FW-STND-REC-01**,<sup>41</sup> the Forest Service can increase the number or capacity of overnight developed recreation sites in the upper Swan at only one site every ten years. If the Flathead National Forest authorizes the proposed major expansion of Holland Lake Lodge, it will not be able to upgrade Holland Lake Campground or Owl Creek Packer Camp, or add any overnight developed recreation sites elsewhere in the upper Swan, to accommodate current and anticipated recreational use. Thus, POWDR's proposal is not consistent with **GA-SV-MA7-Holland Lake-DC**.

If the Flathead National Forest approves POWDR's application, the Forest Service will be making a commitment to utilize **ONLY** Holland Lake Lodge, a relatively expensive commercial resort facility, to accommodate current and anticipated recreation demand in the upper Swan Valley. The number and capacity of relatively inexpensive sites at Holland Lake Campground and Owl Creek Packer Camp will remain fixed at current levels. For at least the next decade, the Flathead National Forest will be able to respond to increased developed recreation demand in the upper Swan Valley only for people who are willing to pay several hundred dollars per day. This may contribute to meeting demands of the relatively affluent users willing and able to pay several hundred dollars a night for resort accommodations, but not the general public.<sup>42</sup> As a result, it may not be consistent with **FS-DC-LSU-08** which states: "[s]pecial use authorizations *meet* Forest management and *public needs* and are consistent with the desired recreation opportunity spectrum." (emphasis added)

<sup>&</sup>lt;sup>40</sup> See supra pgs. 11-12 discussion of **FW-DC-RMZ-01** and **FW-DC-RMZ-06**.

<sup>&</sup>lt;sup>41</sup> Forest-wide recreation standard REC-01 states:

<sup>&</sup>quot;Within the NCDE primary conservation area, the number and capacity of developed recreation sites on NFS lands that are designed and managed for overnight use by the public during the non-denning season (e.g., campgrounds, cabin rental, huts, guest lodges, recreation residences) shall be limited to one increase above the baseline (see glossary) in number or capacity per decade per bear management unit."

<sup>&</sup>quot;Baseline" is defined including as conditions existing as of December 31, 2011. See Flathead Forest Plan pg. 172.

<sup>&</sup>lt;sup>42</sup> The Forest Plan FEIS discussion of recreational use reports "the Flathead National Forest services primarily a local area, with the most visitation from within 100 miles (83% of visitors...." FEIS, Volume 2, pg. 321

Because POWDR's proposal is not consistent with Forest Plan direction for Riparian Management Zones, Scenery, Swan Valley Geographic Area, and MA&-Holland Lake Campground, the Flathead National Forest must deny POWDR's proposal.

# C. POWDR's proposal will create a perpetual right of use or occupancy of National Forest System lands.

Holland Lake Lodge, in one form or another, has been operating on National Forest System land under a Forest Service special use permit since 1924. Now, nearly 100 years since its inception, POWDR is requesting authorization to undertake a massive financial investment to construct 32 buildings and assorted other physical infrastructure within the permit area. If constructed, these buildings and infrastructure will very likely persist on National Forest System lands for another 100 years. Removal of the buildings and infrastructure would be financially and practically infeasible. Even though POWDR's proposed term of use is temporally limited, the buildings and other infrastructure will persist on National Forest System lands long after the term permit expires. Authorization of POWDR's proposal would effectively create a perpetual right of use and occupancy of National Forest System lands, in violation of 36 CFR 251.54(e)(1) (iv).

## D. POWDR's proposal is not in the public interest.

Forest Service regulations state that the responsible agency official "shall reject" any proposal if "the proposed use would not be in the public interest.<sup>43</sup>

POWDR's proposal is NOT in the public interest.

There is no documented need to dramatically expand (triple) the capacity of a commercial lodge on the Flathead National Forest, especially since such facilities and services are reasonably available elsewhere in the general vicinity. Increasing recreation use generally on the Flathead National Forest, or "increased demand for outdoor recreation," 44 does not represent a demonstrable need for expanding private for-profit lodging accommodations on National Forest System lands contrary to long-established Forest Service policy. Current and anticipated growth in recreation use, and the public interest, would be better served by upgrading campgrounds - the ones that cost \$20 per night with space for tent and truck, picnic table, hand-pumped well-water, vault toilet, and fire ring - not too far from the lake.

The Flathead National Forest has not provided any rational explanation of why it is in the public interest to freely cede to POWDR, with no performance bond, authority to operate, maintain, improve and upgrade a public utility wastewater treatment facility on National Forest System lands paid for by Federal appropriations, and allow POWDR to then charge the Flathead National Forest for treating wastewater from the Holland Lake Campground.

The proposal will negatively affect numerous public values in the Holland Lake area. It will:

deface Holland Lake's beautiful forest shoreline;

<sup>43 36</sup> CFR 251.54(e)(5)(ii)

<sup>&</sup>lt;sup>44</sup> Flathead National Forest September 1, 2022 Scoping Letter, pg. 2.

- overwhelm already often overcrowded lake waters and area trails;
- · eliminate ecological functions of riparian management zones;
- · threaten Holland Lake's near-pristine water quality;
- harm the lake's threatened bull trout and nesting common loons;
- reduce the amount and quality of habitat for wildlife species;
- undermine the upper Swan Valley's function as a linkage zone, for grizzly bears and other wide-ranging wildlife species, connecting secure habitat remaining in the higher elevations of the Swan and Mission Mountain ranges; and
- subvert the NCDE Conservation Strategy and potential delisting of the NCDE grizzly bear population.

As a result of these effects, POWDR's proposal would forever change the character of the Swan Valley negatively affecting the quality of life of its residents and the experience of its visitors.

In an extraordinary response, interested members of the public have submitted over 5,000 comments on the Flathead National Forest's September 1, 2022 Scoping Letter. The overwhelming majority (more than 99 percent) of commenters oppose authorization of POWDR's proposal. This response from the public is conclusive evidence confirming that POWDR's proposal is not in the public interest.

POWDR's proposal does not meet the following minimum screening criteria of 36 CFR 251.54 requirements for initial and second-level screenings because:

- The proposed use is not consistent with Forest Service policies governing National Forest System lands. (36 CFR 215.54(e)(1)(i))
- The proposed use is not consistent with the Flathead Forest Plan. (36 CFR 215.54(e)(1)(ii))
- The proposed use would create a perpetual right of use and occupancy. (36 CFR 215.54(e)(1)(iv))
- The proposed use is incompatible with the purposes for which the lands are managed and other uses. ((36 CFR 215.54(e)(5)(i))
- The proposed use would not be in the public interest. (36 CFR 215.54(e)(5)(ii))

• Therefore, 36 CFR 251.54(e) requires<sup>45</sup> that the Flathead National Forest deny POWDR's proposal and stop further evaluation and processing of POWDR's application by the Forest Service.

# II. The Flathead National Forest's intention to categorically exclude POWDR's proposal from further analysis, documentation and public involvement violates 36 CFR 220.6.

Forest Service regulations for implementing the National Environmental Policy Act (NEPA) state:

"A proposed action may be categorically excluded from further analysis and documentation in an EIS or EA **only** if there are no extraordinary circumstances related to the proposed action and if:

. . .

(2) The proposed action is within a category listed in §220.6(d) and (e).46 (emphasis added)

The Flathead National Forest's September 1, 2022 Scoping Letter informed the public of the Forest Service's "intentions" to utilize the categorical exclusion described at 36 CFR 220.6(e) (22), and included a portion of the regulatory description of that category. The Flathead National Forest misled the public by providing only half of the regulatory language of 36 CFR 220.6(e) (22), omitting the examples. The examples reveal that this categorical exclusion is limited to proposed actions of much smaller scale with fewer and less significant environmental impacts than POWDR's proposal. The omitted regulatory text reads:

"Examples include but are not limited to:

- (i) Constructing, reconstructing, or expanding **a** toilet or shower facility;
- (ii) Constructing or reconstructing **a** fishing pier, wildlife viewing platform, dock, or other constructed feature at a recreation site;
- (iii) Installing or reconstructing **a** water or wastewater disposal system;
- (iv) Constructing or reconstructing campsites;
- (v) Disposal of facilities at **a** recreation site:
- (vi) Constructing or reconstructing **a** boat landing;
- (vii) Replacing a chair lift at a ski area;
- (viii) Constructing or reconstructing **a** parking area or trailhead; and

<sup>&</sup>lt;sup>45</sup> 36 251.54(e)(5) states that the responsible official "shall reject any proposal" that doesn't meet the minimum screening criteria.

<sup>&</sup>lt;sup>46</sup> 36 CFR 220.6(a)

### (ix) Reconstructing or expanding a recreation rental cabin. (emphasis added)

The scope, scale and potential environmental impacts of POWDR's proposal are orders of magnitude beyond the categorical exclusion defined by 36 CFR 220.6(e)(22).

POWDR proposes to construct 32 new buildings, including a 13,000 square foot two-story lakefront lodge, ten 650 square foot lake-front cabins, sixteen 250 square foot cabins, a 3,000 square foot restaurant, additional buildings totaling more than 6,000 square feet, five<sup>47</sup> parking lots with total capacity of well over 100 vehicles, assume control of a public wastewater treatment utility, and increase visitor use by over 30,000 visitor-use days per year — along the shores of a pristine mountain lake with a severely threatened, partially disjunct population of bull trout - in a valley that is occupied by grizzly bears, Canada lynx, wolverine and other wideranging wildlife species.

It takes a particularly cynical or conniving view of the National Environmental Policy Act and 36 CFR 220.6(e)(22) to think that POWDR's proposal is in the same category as the examples listed in 36 CFR 220.6(e)(22). Any application of 36 CFR 220.6(e)(22) to POWDR's proposed action would be "[a] willful and unreasonable action without consideration or in disregard of facts [and] law."<sup>48</sup>

There are several extraordinary circumstances that may be significantly affected by POWDR's proposed action. This includes the proposed actions effects on:

- threatened and sensitive species, including bull trout, grizzly bear, Canada lynx, and wolverine:
- the Falls Creek National Recreation Trail:
- the Swan Front Recommended Wilderness;
- water quality in Holland Creek and Holland Lake;
- public safety on Highway 83; and
- the quality of life for residents of a unique forested valley.

It is the Flathead National Forest's responsibility to carefully evaluate and consider the potential effects, including cumulative effects, of POWDR's proposal on these and other resource conditions that will likely be affected by the proposed action. There is no evidence that the

<sup>&</sup>lt;sup>47</sup> Confusingly, the Flathead National Forest's September 1, 2022 Scoping Letter includes, as a component of the proposed action, the "East Holland Connector Trailhead" parking expansion. This management action is not mentioned in POWDR's Master Development Plan. According to the Scoping letter, the parking area would be expanded to three acres (that's a big parking area!) and surrounded with boulders and rail fence. Scoping Letter pg. 5.

<sup>&</sup>lt;sup>48</sup> Black's Law Dictionary definition of "arbitrary and capricious."

Flathead Nation Forest has evaluated or considered the cause-effect relationships between the proposed action and the resource conditions described above, and others.

Forest Service regulations governing special use authorizations states:

"Major category - a processing or monitoring category requiring more than 50 hours of agency time to process an application for a special use authorization .... Major categories usually require documentation of environmental and associated impacts in an environmental assessment and may require an environmental impact statement."

It is obvious the Flathead National Forest has spent much more than 50 hours of agency time processing POWDR's proposal, just since September 1, 2022.

If the Flathead National Forest persists in processing POWDR's proposal, NEPA and the Forest Service's NEPA regulations require preparation of an EIS or EA.

<sup>&</sup>lt;sup>49</sup> 36 CFR 251.51

File Code:

2720

Date:

March 4, 2016

CRAIG SANDERSON MAYOR, TOWN OF TUSAYAN P.O. BOX 709 TUSAYAN, AZ 86203-0709

Dear Mayor Sanderson:

**United States** 

Agriculture

Department of

The Forest Service (FS) has been working to address your application for authorization to improve and maintain roads and install utilities on National Forest System (NFS) land. The FS verbally accepted your application on June 5, 2014, and documented acceptance in a letter dated July 1, 2014. The roads and associated infrastructure would provide improved access to the Kotzin and Ten-X Ranch properties, and would allow significant residential and commercial development. Pursuant to 36 CFR 251.54(g)(2), the FS began the process of evaluating the proposed use of NFS lands to consider authorization of that use. The first step in this process was to notify potentially affected Federal, State, and local government agencies and the public of the proposal and provide them an opportunity to comment. During this initial scoping process, the FS received 2,447 unique comment letters, 85,693 form letters, 86 comments connected to a blog, and two petitions with 105,698 signatures attached on the project. Subsequent to the close of the initial formal scoping period, the FS has received in excess of 35,000 additional comment letters. The vast majority of the commenters opposed the FS authorizing the proposed roads and infrastructure.

Based on the comments received, and considering the other information I have regarding the proposed project, I have decided to reconsider application of the screening criteria to the proposal, as set forth under 36 CFR 251.54(e), which provides that any proposal for use or occupancy of NFS land must meet all of 9 minimum requirements before the FS may consider processing an application for authorization. See 36 CFR 251.54(e)(1)(i)-(ix). If the proposal does not meet all of the screening criteria, the proposal shall not receive further evaluation and processing by the FS. See 36 CFR 251.54(e)(2). Your proposal does not meet certain minimum requirements under initial screening criteria, as follows:

CFR 251.54(e)(1)(ii) requires that the proposed use must be consistent, or can be made consistent, with the Kaibab Forest Plan. The Forest Plan envisions management at a landscape-scale by taking an "all-lands approach," and specifies strategies to achieve the desired conditions and objectives in the Plan, including working closely with partners and across administrative boundaries to meet common objectives. The development that would be enabled by authorization of the proposed use of NFS lands could substantially and adversely affect Tribal lands and the Grand Canyon National Park.

36 CFR 251.54(e)(1)(iv) states that the proposed use will not create an exclusive or perpetual right of use or occupancy. The proposed use has the potential to create a perpetual right of use or



CRAIG SANDERSON 2

occupancy because even though the authorization is temporally limited, once road improvements, infrastructure installation, and development of the private parcels take place, that improved level of access will continue even after the authorization expires. Therefore, it would be premature for FS to process an application which may create perpetual rights until/unless the serious concerns raised by the Tribes, Park and public are addressed by the applicant.

36 CFR 251.54(e)(1)(v) provides that the proposed use must not unreasonably interfere with the use of adjacent non-National Forest System lands. The FS received written comments from the National Park Service (NPS) through the Principal Deputy Assistant Secretary of the Interior for Fish Wildlife and Parks which pointed out that potential impacts to the Outstanding Universal Value of the Grand Canyon National Park (GCNP), either from the roads that would be authorized by easement or the reasonably foreseeable development on the two private properties that would be enabled by the roads and other facilities, are of concern. The GCNP also raised concerns in a meeting regarding impacts on infrastructure that they share with the Town of Tusayan. The NPS was concerned that any activity that would result in significant increases in visitation or occupation near the Park would affect the Park's capacity to absorb the additional use.

Consequently, because your proposal does not meet the above minimum requirements for initial screening under 36 CFR 251.54(e)(1), your proposal cannot receive further evaluation and processing. See 36 CFR 251.54(e)(2). Moreover, even if the proposal passed initial screening, which it does not, the proposal would then proceed to "second-level screening" to ensure that the proposal meets all of 5 additional criteria. See 36 CFR 251.54(e)(5)(i)–(v).

Based on information received in the record, I have determined that the Tusayan proposal is deeply controversial, is opposed by local and national communities, would stress local and Park infrastructure, and have untold impacts to the surrounding Tribal and National Park lands. For example, the current fresh water conveyance system serving the Park is marginally capable of meeting their needs and could not absorb the additional needs of the connected development. Water would then have to be secured from other sources potentially impacting the Park. Given the information above, even if your proposal were to proceed through to second-level screening, based upon the record before me, I find that the proposal would be rejected as there is significant evidence the proposal is not in the public interest, 36 CFR 251.54(e)(5)(ii).

Given the evaluation of these screening criteria, I have determined the project does not meet the 36 CFR 251.54 requirements for initial and second level screenings. I am therefore returning your proposal, as the FS may not process such an application for authorization. If you wish to submit another application, I would encourage you to develop a proposal that addresses the above-stated concerns and criteria. If you have any questions, please direct them to my office.

Sincerely,

HEATHER PROVENCIO Forest Supervisor

cc: Tracy Parker, Nick Pino