

Kurtis Steele, Flathead National Forest Supervisor
Project Leader – Shelli Mavor
Swan Lake Ranger District
200 Ranger Station Road
Bigfork, MT 59911

October 6, 2022

Re: Holland Lake Lodge Facility Improvement and Expansion # 61746

Electronic comments submitted via: <https://www.fs.usda.gov/project/?project=61746>

Dear Mr. Steele and Ms. Mavor,

Please accept my comments on the Holland Lake Lodge (HLL) expansion. For a number of reasons, I oppose the proposal for the Flathead National Forest (FNF) to authorize HLL to replace, upgrade, and expand public services at Holland Lake. The proposal would significantly alter the character of the historic Holland Lake Lodge, which has seasonally operated under a Special Use Permit from the Flathead National Forest. It has served primarily as a local and regional destination resort and valued by the Swan Valley and other Montana communities. It would also impact grizzly bear and other federally listed species and compromise wilderness character of designated and recommended areas.

Holland Lake is near the south end of the Swan Valley Geographic Area, which “links the Bob Marshall Wilderness Complex and the Mission Mountains Wilderness and is an important connectivity zone for many species of wildlife, including grizzly bears”¹. Among its unique characteristics the Swan Valley GA contains large areas of diverse, high-quality riparian habitats and wetlands including extensive fens and peat lands, many managed as special areas. This GA contains most of the known populations of water howellia, a federally listed threatened plant. It is also contains the most productive land on the forest, and logging and roads associated with large timber sales such as the mega Mid-Swan project add to the cumulative effects on wildlife that already compromise important connectivity, beyond HLL resort.

The lodge is situated on 10-15-19 acres (the number is a moving target in the inadequate and ill prepared, scoping document) at the western end of the 3706 acre Holland Lake Focused Recreation Area (MA-7), which encircles the lake. “It includes the Holland Lake developed campground and day use areas, and the Owl Creek Packer Camp, boating, swimming, horseback riding, fishing and hiking are popular uses in the area.” There is a nature trail near the campground as well as the popular 1.6 miles Holland Lake National Recreation Trail that follows the lakeshore to the base of Holland Falls. The area serves as a primary access point to the Bob Marshall Wilderness Complex, one of America’s greatest wildlands atop the Crown of the Continent. The summer recreation spectrum is roaded natural and supports higher concentrations of use. Winter use is semi-primitive motorized that provides for exploration and challenge in backcountry skiing and snowmobiling. Routes are typically ungroomed.

The proposal would change the character of the Holland Lake Lodge and area from a local and regional destination to one that would be advertised far and wide by POWDR, a mega resort corporation, and attract national and international visitors. Under the proposal HLL lodging and restaurant capacity would triple. Approximately thirty-three thousand square feet of new structures would be built for 33 or more different buildings. Only three existing structures would be repaired or maintained including the historic lodge while most existing structures, some historic would be demolished. Land disturbance is described on page 5 to include supporting infrastructure: ditches, foundations, waterlines, wastewater lines and lagoons, electrical, fiber optic and other utility lines would crisscross the complex, disturbing unspecified

¹ USDA FS. Flathead National Forest Land Management Plan - Flathead, Lake, Lewis and Clark, Lincoln, Missoula,

acres. Parking lots and driveways alone would cover more than two acres and provide at least 128 parking spots indicating considerably more visitors than lodge guests. An additional three acres for the East Holland Lake Trailhead is connected to the proposal. Numerous trees would also be removed.

Scoping is not adequate given the nature of the proposal and inconsistencies with the forest plan

Both the September 1 letter of intent and the scoping letter express the FNF ‘intention’ to apply a categorical exclusion due to the proposal being contained within the existing recreation site. This ignores some obvious implications of this project that extend well beyond the footprint of the permit area. It does not consider the unique niche this area occupies at the Crown of the Continent, NCDE grizzly bear recovery area and other Distinctive Roles and Contributions of the Flathead National Forest (36 CFR § 219.2(b)).

The Swan Valley Geographic Area is identified as a connectivity area (forest plan map B-30). Plan component (GA-SV-DC-09) for this area states, “The portion of the Seeley Clearwater connectivity area from Condon south to the boundary of the Swan Valley geographic area, and from the south end of Swan Lake to Lost and Porcupine Creeks provide habitat connectivity for wide-ranging wildlife species (e.g. grizzly bear, Canada lynx and wolverine) moving between the Swan and Mission Mountains.”

The forest plan details constraints within the Seeley Clearwater connectivity area. Coordination and permits from multiple agencies would need to be secured as part of the project. This extends beyond the project footprint that is core to justify the CE. The FS should cooperate with the Montana Department of Transportation for both public safety and road permeability for wildlife passage. At the least, Highway 83 would need to be evaluated for the increased traffic generated by the resort expansion and potentially a range of modifications made; turning lanes, speed modification, straightening of the road to increase sight distances, and/or other specialized wildlife crossing features. Signage or even a blinking light to warn motorists of the high traffic area might need to be installed.

Also, anticipate damage and repair to existing roadways from a convoy of haul trucks for heavy machinery and materials needed for the extensive project which could take as long as five years to complete. At least Missoula County must be involved in preparing for additional unplanned maintenance on the county road(s). Plan component FW-GDL-IFS-13 addresses some of the requirements. POWDR should plan to absorb road improvement and maintenance costs so as not to defer these to Missoula County or the state.

FW-GDL-IFS-13:

12 Within areas specifically identified as being important for wildlife connectivity across highways (see table 18), the Forest should cooperate with highway managers and other landowners to design approaches and crossings that contribute to wildlife and public safety.

Table 18. Key highway crossing areas for wildlife

Area	Route	Mile Marker
east of Essex ¹	U.S. 2	181-184
east of Essex ¹	U.S. 2	189-190
east of Columbia Falls ¹	U.S. 2	141-143
north of Columbia Falls ¹	Rt. 486	7-9
between Whitefish and Eureka ¹	U.S. 93	148
between Whitefish and Eureka ¹	U.S. 93	157-160
Swan Valley ^{2, 3, 4}	U.S. 83	31-36
Swan Valley ^{2, 3, 4}	U.S. 83	45-58

According to the scoping description (pg. 5) the East Holland Lake Connector Trailhead parking area would be expanded by up to three acres. Toilet capacity would be increased. In addition, the project would include construction, improvement and signage of three off-site pedestrian trails, which all lead to

HLL. One trail would be constructed from the USFS Holland Lake campground to the HLL. A second would be constructed from the campground toward Holland Lake Road near the HLL facility entry. A third trail would be constructed from the HLL to the East Holland Lake Connector Trailhead. Ostensibly, the trails would provide hikers safe access to the Lodge or Trailhead without having to walk on the road. The new trails would be gated at the permitted boundary so it is unclear if these trails provide access to the existing permitted facility, or if the facility is ‘gated’. Since these trails lead to or from the HLL, they are connected to the project but outside of the 10-15-19 acre permit area.

Clearly, the footprint of this proposal extends beyond the permit boundary area. The scope and complexity is beyond the FS intentions to categorically exclude the project under 36 CFR 220.6(c)(22)² as stated in the September 1, 2022 Letter of Intent and scoping document. Remedy this error in judgment and law, and evaluate the proposal with an EIS.

The FNF has failed to adequately administer the existing special use permit for the HLL

If the description in the proposal is true, the FNF has defaulted on its administrative responsibilities for the existing HLL permit. The description provided in the purpose and need for action states, “Holland Lake Lodge facilities are inadequate for both current and projected future public demand. The existing structures are slowly deteriorating. The Old Lodge is in need of exterior repairs, cabins are generally in a poor condition, unwinterized, and without foundations or modern conveniences, the gift shop is structurally compromised due to rotting timbers, and the barn is unsafe for use. Additionally, the maintenance shed, and watersports storage buildings are neither watertight nor structurally sound.”

How is it that given the deteriorating and failing condition of the current facility the FNF did not suspend the permit until maintenance and repairs needed to ensure public safety were made, or to terminate it if the holder failed to comply? Marty Almquist added detail and knowledge that I incorporate by reference here. The Swan Lake RD did cite Thunderbow Outfitters for non-compliance and in 2007 terminated their outfitter permit. Christian Wohlfeil held the Holland Lake Lodge Resort/Marina permit at the time.

That the FNF continued to issue the SUP to HLL, a deteriorating and potentially unsafe facility reveals negligence on its part. This is compounded by Wohlfeil’s public assertions that he ‘owns the permit and has sold shares to POWDR’ despite the fact the permit is not transferable. Rather than find Wohlfeil in non-compliance, the FNF is proposing to approve transfer of the current permit to the large corporate third party. How far is the FNF willing to bend over backwards to avoid serving in the public’s interest? And why should the public trust that the FNF could administer the complexities of a mega resort in a sensitive area, where grizzly bear habitat and needs of the bear receive the highest priority?

The FNF’s Bunker Creek Cabin proposal (2021) has some similarities. One, in each the FNF prematurely determined the project could be covered under a categorical exclusion. Another is that each demonstrates the eagerness of the forest to bend over backwards to accommodate the whims of the private sector to occupy some of our most extraordinary public lands to exclusion of the public and the public interest.

The entire handling of the existing HLL permit is in itself nefarious. Comments by Marty Almquist and Keith Hammer of Swan View Coalition shed much more detail on the pattern of inadequacies of the permitting system on the FNF. I’m incorporating these by reference.

Categorical Exclusion (CE) is not appropriate for the proposal given the environmental sensitivity and extraordinary circumstance present in the area.

A qualifying proposed action may be categorically excluded from further analysis and documentation if there are no extraordinary circumstances. However, nearly all of the following extraordinary circumstances are present and disqualify the HLL proposal from a CE and move it toward an EIS.

² <https://www.law.cornell.edu/cfr/text/36/220.6>

(b) Resource conditions.

(1) Resource conditions that should be considered in determining whether extraordinary circumstances related to a proposed action warrant further analysis and documentation in an EA or an EIS are:

- (i) Federally listed threatened or endangered species or designated critical habitat, species proposed for Federal listing or proposed critical habitat, or Forest Service sensitive species;
- (ii) Flood plains, wetlands, or municipal watersheds;
- (iii) Congressionally designated areas, such as wilderness, wilderness study areas, or national recreation areas; 10/3/22, 3:56 PM 36 CFR § 220.6 - Categorical exclusions. | CFR | US Law | LII / Legal Information Institute <https://www.law.cornell.edu/cfr/text/36/220.6> 2/16
- (iv) Inventoried roadless area or potential wilderness area;
- (v) Research natural areas;
- (vi) American Indians and Alaska Native religious or cultural sites; and
- (vii) Archaeological sites, or historic properties or areas.

Scoping is the means to identify presence or absence of extraordinary circumstances and also to reveal any past, present, or reasonably foreseeable future actions with the potential to create uncertainty over the significance of cumulative effects. Scoping complexity should be commensurate with project complexity (36 CFR 220.6(c)).

I'm including by reference an excerpt from the October 5 letter submitted by Martin Nie Director of the Bolle Center for People and Forests and Professor of Natural Resources Policy at UM:

“to abuse this tool [CE] is to risk the agency’s credibility and social license. The intention to categorically exclude such a significant action sends a message that CEs are being used not as a way to do NEPA more efficiently, or to make better decisions—which is the whole point of NEPA—but rather a way to avoid the use of best available science and informed public participation in public lands management. The backlash is already evident and I’m afraid it will taint future good faith efforts aimed at actually improving the USFS’s implementation of NEPA.

“USFS regulations prohibit the use of CEs where there are “extraordinary circumstances” related to the proposed action, such as having federally listed threatened or endangered species in the project area or other special resource conditions. The ecological setting of Holland Lake provides a textbook example of extraordinary circumstances that warrant closer environmental analysis and full public participation.”

The environmental conditions in the Swan Valley at Holland Lake Lodge are such examples. Federally listed species, wetlands and unique riparian areas, designated lands and more, all trump the HLL permit fiasco. Please withdraw it, redo scoping, and move forward with an EIS to arrive at a decision that best serves the public interest and the public lands. POWDR is not it.

The proposal is not supported by the forest plan or NCDE grizzly bear conservation strategy

Both the Flathead Forest Plan and the Northern Continental Divide Ecosystem Grizzly Bear Conservation Strategy limit increases in developed recreation areas within primary conservation areas in the grizzly bear recovery zone. The proposed Holland Lake expansion is in prime grizzly bear habitat and well within the NCDE Grizzly Bear Recovery Zone and Big Salmon Bear Management Unit. The 2018 Forest Plan Revision states (pg 60):

Standard (FW-STD-REC) 01: 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 rentals, 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.

Chris Servheen, retired USFWS grizzly bear coordinator and now president of Montana Wildlife Federation has unparalleled knowledge of grizzly bear recovery and development of recovery plans and the conservation strategy. I'm incorporating by reference Dr. Servheen's 9/28/22 comments. The excerpt below discloses important background on the development of this limitation:

“During development of the Strategy, there was some discussion on p. 74 about allowing an increase in site developments in the PCA as follows: *“Limit the number and capacity of new developed recreation sites on Federal lands in the PCA that are designed and managed for overnight use by the public during the non-denning season to one new site per decade per BMU, or one increase in the overnight capacity at one site per decade per BMU above the baseline.”* During development of this clause, the **Flathead Forest provided a two-page write up (see attached Planning Record Exhibit 00671) of examples of increased site developments to show examples of how past site developments were small and would have limited negative impacts on grizzly bears.** Planning Record Exhibit 00671 showed that between 2000 and 2010 there were 10 overnight sites added in 8 Bear Management Units (BMUs). Most of these additions involved a cabin rental site or limited number of new sites at existing campgrounds. **These examples were used by the USFS to assure those writing the Strategy that allowing one new developed site in a BMU per decade would have minimal impact on grizzly bears.** [Emphasis added]. This allowance of one new developed site per BMU per decade is being used to justify the proposed Holland Lake development as being within the standards of the Strategy. However, the proposed Holland Lake development will be orders of magnitude more than anything used as examples of possible site developments as shown in Planning Record Exhibit 00671. The Holland Lake expansion will more than triple the number of overnight rooms, extend the operating season, and increase the use of the area by 35,640 user days per year. This is a gross misuse of the allowance for minor additional site developments allowed inside a BMU in the Strategy. This amounts to a violation of the spirit if not the letter of the NCDE Conservation Strategy.

The Flathead National Forest understood that this standard was needed to protect grizzly bear and secure its habitat and recovery, and it provided supporting documentation attesting to the minimal impact this would have. The standard limits one increase in the number or capacity of overnight facilities per decade per bear management unit, and thus forecloses other options. It is not in the public interest to fast track a permit to POWDR. This critical decision necessitates rigorous and careful analysis. A CE is not the appropriate tool given the HLL proposal and sensitivity of the area in prime grizzly bear habitat. An EIS is needed to identify all issues and concerns and develop and analyze a full range of alternatives.

As a retired forest service employee, I wish I could say I'm surprised at the violation of the spirit and letter of the Flathead forest plan and the NCDE Conservation Strategy. All I can say is that I'm saddened and disappointed by the FNF's willingness to sacrifice public lands, interest and trust, the greater good, grizzly bear recovery, and its own credibility solely to pander to and enrich the private sector.

The proposal disrespects the local community and controversial nature of the project

There are social issues that also need to be considered. The proposal would change the character of the Holland Lake area from a local and regional destination to one that would be advertised far and wide to maximize profit for a mega corporation. The people of the Swan Valley community know this. Almost unanimously, they oppose the POWDR resort and consider it out of character with their area and values.

The proposal fails to consider that the public could be better served by an affordable option to overnight use on public lands. Instead the public is priced out of a high-end resort only the Privileged can afford. POWDR is not accessible to the vast majority of people. It creates a social inequity and would discriminate by limiting access. More thorough NEPA analysis could find that improving an existing national forest campground within the constraints of minimized impact is an obvious alternative. A

grizzly bear education center is another that could be analyzed and disclosed in an EIS. The intensity of desired accommodations put forth in the proposal is best met in privately held lands nearby. A full range of alternatives needs to be developed and fully analyzed in an EIS.

For the record, it should be noted that the historic Holland Lake Lodge now the subject of such controversy was not even mentioned in the December 2018 forest plan. Had it been considered maybe it would have resulted in GA desired conditions, objectives or other plan components or had a place in Appendix C: Potential Management Approaches, when the HLL permit became available as is the case.

The project threatens the wilderness character of the Bob Marshall Wilderness Complex and Swan Front Recommended Wilderness

Holland Lake, already a relatively heavily used focused recreation area (MA-7) and a major portal to the Bob Marshall Wilderness complex (BMWC) could see an increase in visitor user days from an estimated 11,000 to 44,000 visitors per year. This would negatively impact the wilderness character of the BMWC. Impacts of increased use could also disqualify the Swan Front Recommended Wilderness, the boundary of which lies within a mile of Holland Lake and two miles of Holland Lake Lodge, from further consideration for wilderness designation based on loss of opportunity for solitude alone. This would necessitate an amendment to the revised Flathead National Forest plan, which must be analyzed in an EIS.

The project both in its 5-year construction phase and its operations threatens to displace grizzly bear and its recovery.

POWDR couldn't pick a worse place to try to convince the public how it would respect environmental concerns. Bear proof trashcans don't cut it. The activity during the five-year construction phase would displace grizzly bear from prime habitat in the Swan Valley Geographic Area and impede connectivity with the Mission Mountains. Compound this with perpetual year round resort occupation and activity.

It might be even worse if grizzly bear are not displaced but become conditioned to the presence of people, not just their food and trash. Recently two grizzly bears casually meandering too close to neighborhoods but not causing any conflicts were relocated from the Bitterroot Valley. If the Bitterroot example has any legs Swan grizzly bear near POWDR will be boarding buses to new habitat.

In addition to tripling capacity and occupancy, the mega resort would attract many travelers stopping in for a lunch or souvenir. The expanded East Holland Lake Trailhead would soon overflow, along with the new toilet. Holland Falls would be trampled. User days would triple from 11,000 to 44,000 visitors per year. Make no mistake; this resort would turn the area into a circus. It is totally incompatible with the unique environmental conditions on the landscape.

Missoula County was not included in the Economic Analysis for the Flathead forest plan revision

Despite my repeated requests during multiple FNF forest plan revision phases, the FNF refused to include Missoula County in its economic analysis area. There is no baseline to compare the economic benefit of the POWDR proposal to the existing economic condition. I request that if an analysis is done, that it is comprehensive and remedies this failing and incorporates Missoula County in the economic analysis for the forest plan.

Conclusions

Mr. Steele and other Flathead forest leadership must be comedians because the CE is a joke. Forget that you don't have a thorough comprehension or maybe a basic respect of NEPA and other environmental laws, or your own forest plan. And forget that you don't respect your local constituency, which for once are united to oppose the POWDR proposal. It's the lack of creative thinking, critical thought, and competence, and above all commitment to the best management of our extraordinary public lands and wildlife habitat that is your biggest failing. Followed closely by your eagerness to sell out our public lands; not forest service lands, not your lands.

I hope you step back from your intention to use a categorical exclusion and recognize the need for an environmental impact statement. Please release your attachment to the rather shoddy scoping proposal and consider all the insightful comments you have received, including from brilliant specialists in this area. Once you accept the need for a thorough NEPA process deserving of the Flathead and Swan Valley's unique niche, maybe you'll see the potential that a science based environmental impact statement could offer.

Thank you for considering my comments,

/Claudia Narcisco

cdnarcisco@gmail.com