



Center for Biological Diversity

*Protecting and restoring endangered species and wild places of Western North America
and the Pacific through science, policy, education, and environmental law.*

April 10, 2002

Mr. David Harlow
Arizona Field Office Supervisor
U.S. Fish and Wildlife Service
Phoenix

U.S. Fish and Wildlife Service Regional Director
Albuquerque

U.S. Fish and Wildlife Service Director
Washington, DC

Ms. Gail Norton
U.S. Department of the Interior Secretary
Washington, DC

Brig. Gen. James A. Marks
Ft. Huachuca Commander
Ft. Huachuca

Mr. Thomas E. White
U.S. Secretary of the Army
Washington DC

Mr. Donald Rumsfeld
U.S. Department of Defense Secretary
Washington, DC

Mr. William C. Withycombe
Western-Pacific Regional Administrator
Federal Aviation Administration
Lawndale, CA

Ms. Jane Garvey
Federal Aviation Administration Administrator
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Dear Mmes. Norton and Garvey, Messrs. Rumsfeld, Harlow, Withycombe, and White, General Marks, Regional Director, and Director,

- RE: 1. New information necessitating withdrawal of the U.S. Fish and Wildlife “concurrence” that the transfer and development of 203 acres for the Sierra Vista Municipal Airport will not have an adverse effect on federally protected species or their Critical Habitat.
2. Notice of Intent to Sue Ft. Huachuca, the U.S. Federal Aviation Administration, U.S. Department of Defense, and U.S. Fish and Wildlife Service to remedy violations of Sections 2 and 7 of the Endangered Species Act.

On October 10, 2000, Ft. Huachuca requested “concurrence” that the transfer and development of 203 acres for the Sierra Vista Municipal Airport will not have an adverse effect on federally protected species or their Critical Habitat.¹ On December 8, 2000, the U.S. Fish and Wildlife Service (USFWS) accommodated this request with the issuance of a “concurrence.”²

The December 8, 2000, USFWS response acknowledged the fact that the “concurrence” was based primarily on two assumptions:

“56 percent of those hired for new positions would be residents of the area,” and

“70 percent of induced jobs will be filled by residents of the area.”

The USFWS response also acknowledged dependence of the “concurrence” on other controversial assumptions, including non-mandatory mitigation commitments from the City of Sierra Vista and nebulous promises of mitigation by future businesses and the San Pedro Partnership.

The Biological Assessment (BA)³ for the land transfer admits that:

“...the interrelated and interdependent effects of groundwater pumping associated with the proposed action could affect stream flow in the San Pedro River...” (p.9)

However, based on the same assumptions that most new jobs will be filled by local people and all new water use will be fully mitigated, the BA concludes:

“...water use associated with the proposed action will be mitigated and therefore the proposed action will have no effect (p.9)...As a result of the combined mitigation measures, net water usage will be zero (p.14).”

Ft. Huachuca’s request is dated October 10, 2000. At that time, the unemployment rate in the City of Sierra Vista was 3.2%.

The USFWS “concurrence” is dated December 8, 2000. The unemployment rate in Sierra Vista was also 3.2% in September 2000 and November 2000. It was 3.3% in December 2000.⁴

The proponents of the land transfer admit that 757 new direct jobs will result from the action.⁵ Such a large new increase in direct jobs will inevitably result in significant new groundwater dependent growth. In fact, using commonly and historically accepted multipliers from Ft. Huachuca and the U.S. Army Corps of Engineers Construction Engineering Research Laboratory⁶, and the U.S. Census Bureau^{7 8}, such direct support of 757 people translates into direct and indirect support of at least 3,115⁹, and up to 3,281¹⁰ people. This action also represents new support for deficit groundwater pumping of at least 551¹¹, and up to 581¹² acre-feet per year.

The assumption that 56% of the people for the direct new jobs and 70% of induced jobs will come from a city with such low unemployment rates is ludicrous. On November 21, 2001, we addressed USFWS’ failure to reinitiate consultation regarding “the effects of Ft. Huachuca’s recently expanding activities.”¹³ In that correspondence, we addressed the reasons that the “hired locally” scheme fails to provide adequate mitigation for the new support of new local jobs when the rate of unemployment is low.¹⁴ Our November 21, 2001, correspondence lists several pertinent facts pertaining to a low unemployment situation:

- Most of the unemployed are not employable.
- Companies compete for the same workers.
- Workers moving from one company to another must be replaced.
- Replacement workers or new workers entering the job market from the pool of previous non-workers and/or retirees responding to inflationary wages still contribute to local growth. They do so with expenditure of their newly increased income and increased demand for ancillary support services.
- Sierra Vista companies are already actively recruiting outside of the area secondary to an inability to find enough workers locally.

In addition, since the USFWS December 8, 2000, “concurrence,” Arizona Department of Economic Security figures show that the unemployment rate in Sierra Vista continues to remain low. The unemployment rate for all of 2001 in Sierra Vista averaged 3.5%.¹⁵ All citations in our November 21, 2001, correspondence, and the 2001 unemployment figures are now officially part of the USFWS San Pedro River administrative file.

At the time of issuance of the “concurrence,” the USFWS was admittedly not aware of the low unemployment rates. Land transfer proponents failed to include this information with their request to USFWS for “concurrence.” Had this

information been presented to USFWS, a full, formal consultation would have been undertaken as required by law.

The December 8, 2002, USFWS “concurrence” states:

“...any change in the many projections and assumptions used to determine water use from the proposed project could potentially trigger the need for additional Endangered Species Act compliance.”

This correspondence formally advises you of a change in the projections and assumptions used to determine water use from the proposed land transfer. Since this is now new information, the potential trigger for the need for additional Endangered Species Act compliance has now been surpassed. Please retract the inappropriate USFWS “concurrence” for the proposed land transfer immediately. Please initiate and complete a full, formal consultation as required by law.

For the record, the violations regarding the proposed land transfer involve actions adversely affecting Huachuca Water Umbel, Southwestern Willow Flycatcher, Southwestern Willow Flycatcher Critical Habitat, and Huachuca Water Umbel Critical Habitat. Specifically, these violations involve failure to conserve and failure to initiate and complete a full, formal consultation regarding the effects of the land transfer on these species and their Critical Habitat.

Please forward a copy of correspondence reflecting USFWS retraction of the December 8, 2000, “concurrence” and of initiation of formal consultation. In 60 days, if Ft. Huachuca, the Federal Aviation Administration, and USFWS have chosen to allow stand this inappropriate “concurrence” and do not remedy their violations of the Endangered Species Act, the Center will seek judicial relief. If you have further questions, please contact Robin Silver, M.D., Conservation Chair, Center for Biological Diversity, P.O. Box 39629, Phoenix, AZ 85069-9629, by mail; by phone: 602.246.4170, or by Email: rsilver@biologicaldiversity.org.

Sincerely,



Robin Silver, M.D.
Conservation Chair

¹ Correspondence from Mr. John Ruble, Director of Installation Support for the U.S. Army Intelligence Center and Ft. Huachuca, to Mr. David Harlow, Field Supervisor, Arizona State Ecological Services Office, U.S. Fish and Wildlife Service, requesting “concurrence” regarding no adverse effect on federally protected or their Critical Habitat

for the transfer and development of 203 acres for the Sierra Vista Municipal Airport, October 10, 2000.

² Correspondence from Mr. David Harlow, Field Supervisor, Arizona State Ecological Services Office, U.S. Fish and Wildlife Service, to Mr. John Ruble, Director of Installation Support for the U.S. Army Intelligence Center and Ft. Huachuca, issuing “concurrency” regarding no adverse effect on federally protected or their Critical Habitat for the transfer and development of 203 acres for the Sierra Vista Municipal Airport, December 8, 2000.

³ Biological Assessment of the Effects on Federally Endangered and Threatened Species from Expansion of the Sierra Vista Municipal Airport, Ft. Huachuca Military Reservation, Cochise County, Arizona, Prepared for: City of Sierra Vista, Federal Aviation Administration, and U.S. Department of the Army, Prepared by: EcoPlan Associates, Inc., October 5, 2000.

⁴ Cochise College Center for Economic Research, Sierra Vista Economic Focus 2001-2002, 2001.

⁵ Environmental Analysis for the Transfer and Development of 203 Acres of Property adjacent to Sierra Vista Municipal Airport, Sierra Vista, Arizona, prepared for the City of Sierra Vista, Federal Aviation Administration, and the U.S. Department of the Army, by Coffman Associates, Inc., October 2001, p. 4.26.

⁶ US Army Corps of Engineers Construction Engineering Research Laboratory, Economic Impact Forecast System (EIFS) II: User’s Manual, Updated Edition, Technical Report N-69 (Revised) May 1984.

⁷ Census 2000. “Profiles of General Demographic Characteristics, Arizona,” U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau, 2000, (http://www2.census.gov/census_2000/datasets/demographic_profile/Arizona/2kh04.pdf)

⁸ Multiplier calculations based on the Economic Impact Forecast System developed by the U.S. Army Corps of Engineers Construction Engineering Research Laboratory (CERL)(Ft. Huachuca 1999), and based on U.S. Census data. (Census 2000) CERL uses the multiplier “2.3” for a household-size multiplier and “1.684” for a local economic multiplier. The U.S. Census Bureau, however, has found the local household-size greater than that from CERL. According to the U.S. Census Bureau (Census 2000), the household-size for Cochise County equals 2.55. In Huachuca City, it equals 2.43, in Sierra Vista 2.48, and in Sierra Vista Southeast 2.65. (Census 2000) In an attempt to be as accurate as possible, we use CERL’s local economic multiplier of 1.684 and the most recent U.S. Census household-size multipliers ranging locally from 2.43 to 2.65. Both the CERL and the U.S. Census multipliers do not include family members of support workers, and therefore consequently still underestimated total impacts.

⁹ $3,115 = 757(1.684) + 757(2.43)$

¹⁰ $3,281 = 757(1.684) + 757(2.65)$

¹¹ $551 = 3,115(365 \text{ days per year})(158 \text{ gpd})/325,851 \text{ gallons per acre-foot}$

¹² 581 = 3,281(365 days per year)(158 gpd)/325,851 gallons per acre-foot

¹³ Correspondence, CBD to Mr. David Harlow, Arizona Field Office Supervisor, U.S. Fish and Wildlife Service, Phoenix, regarding "Notice of Intent to Sue, Ft. Huachuca, the U.S. Department of Defense, and the U.S. Fish and Wildlife Service, to remedy violations of Sections 2, 7, and 9 of the Endangered Species Act," November 21, 2001.

¹⁴ Ibid:

"...Since the Biological Opinion, Ft. Huachuca has consistently focused on a scheme to camouflage its continuing piecemeal expansionism and to underestimate the effects of providing for newly supported jobs and the accompanying indirectly supported family members and resulting employment. This new scheme is based on the mantra, "hired locally."

This "hired locally" scheme implies that provision of new support does not impede balancing of the deficit water budget. This increasingly prominent scheme also ignores the fact that stabilization of deficit groundwater pumping at year 2000 current levels still results in the River's demise. (CEC 1999) The water budget must be balanced in order to save the River.

The implication that "hired locally" lowers the requirement for mitigation also ignores the fact that the unemployment rate in the City of Sierra Vista has been very low. The unemployment rate in the City of Sierra Vista for 2000 was only 3.42% according to Center for Cochise College's Center for Economic Research. (Cochise College 2001a) Arizona Department of Economic Security's September 2001, Special Unemployment Report, reports the unemployment rate in the City of Sierra Vista as only 3.3%, with a labor force of 14,524 (479 people unemployed). (Arizona Department of Commerce 2001) The unemployment rate for Cochise County for 2000 was 4.4% according to Cochise College's Center for Economic Research (Cochise College 2001a) and only 4.3%, with a labor force of 41,002 (1,763 people unemployed), according to the Arizona Department of Economic Security. (Arizona Department of Commerce 2001)

When the unemployment rate is very low, replacement employees for those moving into newly supported positions must come, in good part, from employees already in other jobs. These vacated jobs in turn require replacement employees. Tight labor markets with low unemployment rates make finding workers difficult. (Federal Reserve 1999)

When unemployment rates are below 4% and 5%, companies compete for the same employees. (Tobin 1972, Greenspan 1998, Roubini 1998) This phenomenon is called the "natural" rate of unemployment, or the "non-accelerating inflation rate of unemployment". (Tobin 1972, Roubini 1998)

The business reporter for the San Diego's North County Times has recently reviewed the "natural" rate of unemployment:

"Economists have in the past agreed that the "natural" rate of unemployment for an economy is between 4 percent and 5 percent. The idea is based on the theory that there always will be a certain number of people who are unemployed, either because they are transitioning between jobs or because they are unemployable. Any

level below this "natural" rate means that there is no pool of unemployed people to recruit from, and thus companies begin to compete for workers, which leads to wage inflation over the long term." (Gaut 2000)

One of the Upper San Pedro Basin's better-documented examples of workers leaving local jobs for those newly supported has been recently presented by Cochise College's Center for Economic Research. Aegis Communications Corporation, a Texas-based teleservices company, has recently opened a branch office in Sierra Vista and has hired 801 employees for new, directly supported jobs. (Sierra Vista Herald 2000d) Two thirds of these new Aegis employees vacated other local jobs to work for Aegis. (Cochise College 2001b) While some claim that most of the replacement workers for the newly vacated jobs are locals responding to inflationary wages, the chain of events eventually leads to newly available support jobs and an influx of workers to fill them. Newly supported jobs ultimately lead to an influx of new groundwater dependent people, especially in tight labor markets with low unemployment rates.

The "hired locally" scheme also ignores the fact that Ft. Huachuca's contractors are already actively searching outside of the Upper San Pedro Basin to find new employees. Ft. Huachuca's contractors continue experiencing difficulty with "hiring locally":

"SV firms try to lure Tucson's high-tech workers..."

SIERRA VISTA – Sierra Vista's high-tech businesses need qualified computer and electrical engineers to meet an ever growing workload, and they went to Tucson this week to get them...

There is an increasing gap between the number of positions opening up and the number of qualified engineers across the country, Black [ILEX Systems company program director John Black] said. He estimated there may be as many as 100,000 unfillable computer and electrical engineering jobs nationwide. That makes the competition in the labor market extremely tight.

Couple that with an increasing amount of business poring out of Fort Huachuca every day, and Black said Sierra Vista companies may need as many as 300 new engineers this year alone.

'I said two months ago that I could put 30 (engineers) to work today,' Black said. 'Today I'm saying I could put 50 to work today.'

Albrecht [Sierra Vista Economic Development Foundation Executive Director Barry Albrecht] said the fair was the first step in a much larger marketing campaign to draw engineers to the area..." (Sierra Vista Herald 2000a)

¹⁵ Cochise College Center for Economic Research, Sierra Vista Economic Focus 2001-2002, 2001.