



*Cost-Benefit and Regulatory Flexibility Analyses:
Final Regulations Addressing the Designation of Bicycle Use in
Units of the National Park System*

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Introduction

This report presents the cost-benefit and regulatory flexibility analyses of a final regulatory action that addresses the designation of bicycle use within units of the National Park System. Quantitative analyses were not conducted due to a lack of available data, and because the additional cost of conducting quantitative analyses was not considered to be reasonably related to the expected increase in the quantity and/or quality of relevant information. Nevertheless, the National Park Service (NPS) believes that these analyses provide an adequate assessment of all relevant costs and benefits associated with the regulatory action.

The results of the cost-benefit analysis indicate that the costs of the final regulatory action are justified by the associated benefits. Additionally, this final regulatory action will not have an annual economic effect of \$100 million, and will not adversely affect an economic sector, productivity, jobs, the environment, or other units of government. This regulatory action will improve economic efficiency.

The results of the regulatory flexibility analysis indicate no adverse impacts for any sector of the economy or unit of government, including small entities. Given those findings, the final regulatory action will not impose a significant economic impact on a substantial number of small entities.

Cost-Benefit Analysis

Statement of Need for the Final Regulation

Executive Order 12866 (58 FR 51735) directs Federal agencies to demonstrate the need for the regulations they promulgate. In general, regulations should be promulgated only when a “market failure” exists that cannot be resolved effectively through other means. A market failure exists when private markets fail to allocate resources in an economically efficient manner. A significant cause of market failure is an “externality,” which occurs when the actions of one individual impose uncompensated impacts on others. For example, bicycle users within parks might impose costs on pedestrians associated with congestion and health and safety risks if bicyclists and pedestrians use the same trails. Because these costs are not compensated through private markets, bicycle users have little incentive beyond existing traffic regulations to change their behavior accordingly. The result is an inefficient allocation of park resources.

The purpose of this final regulatory action is to specify and clarify the procedural steps that must be followed in order to designate bicycle use within parks. By distinguishing between situations that will require the promulgation of special regulations and those that will not, and by clearly identifying the procedural steps required to designate a road or trail for bicycle use, this regulation will allow parks to more efficiently manage bicycle use and thereby enhance visitor use and enjoyment. This action will improve economic efficiency by enabling improved park management efficiency and, in turn, enhanced visitor use and enjoyment.

Baseline Conditions

The costs and benefits of a regulatory action are measured with respect to its baseline conditions. Baseline conditions describe the state of the world that would exist without the regulatory action. Therefore, all costs and benefits that are included in this analysis are incremental to the baseline conditions. That is, any future impacts that would occur without the regulatory action, as well as any past impacts that have already occurred, are not included in this analysis.

For this final regulatory action, the baseline conditions are described by the current bicycle regulation at 36 C.F.R. 4.30.

Costs and Benefits

The final regulatory action will implement the following changes.

- **Administrative roads:** The final regulatory action includes the option for park superintendents to allow bicycle use on administrative roads pursuant to certain conditions, including a written determination that bicycle use is consistent with the protection of the park's natural, scenic, and aesthetic values, safety considerations, and management objectives, and will not disturb wildlife or park resources.
- **Existing trails:** The final regulatory action allows the designation of bicycle use on existing hiking or horse trails after the following steps have been completed.
 - The park has completed a planning document that addresses bicycle use on specific trails.
 - The park has completed the appropriate analysis to comply with the National Environmental Policy Act of 1969.
 - A written determination has been recommended by the superintendent, and signed by the regional director, stating that the addition of bicycle use is consistent with the protection of the park's natural, scenic, and aesthetic values, safety considerations, and management objectives, and will not disturb wildlife or park resources.
 - Bicycle use has been designated through publication in the Federal Register or, if significant impacts are identified, promulgation of special regulations.
- **New trails:** The final regulatory action allows the designation of bicycle use on new trails that would require trail construction activities following the same multi-step process outlined above for existing trails. The designation of bicycle use on new trails outside developed areas would require the promulgation of special regulations.

It is important to note that this final regulatory action only specifies and clarifies the procedural steps that must be followed in order to designate bicycle use within parks. It will not actually designate bicycle use in any park. Nevertheless, this regulatory action

will generate positive benefits through procedural specificity and clarity and the resulting improved management of bicycle use within parks. It will not impose any costs, including fees, reporting requirements, or additional restrictions on bicycle use.

Since this action will generate positive benefits and no costs, NPS concludes that positive net benefits will be generated. These benefits can be expected to continue through time as long as the final regulatory action remains in place.

Uncertainty

The number of new bicycle designations within parks resulting from this regulatory action is unknown. Nevertheless, positive benefits from procedural specificity and clarity are expected. Any uncertainty involved in this analysis is associated only with the magnitude of those benefits. NPS is not aware of any other sources of uncertainty.

Conclusions

The results of this cost-benefit analysis indicate that this regulatory action will generate positive net benefits and no costs. Given that, NPS concludes that the benefits associated with the final regulatory action justify the associated costs. Further, this regulatory action is not expected to have an annual economic effect of \$100 million, or to adversely affect an economic sector, productivity, jobs, the environment, or other units of government. This regulatory action will improve economic efficiency.

Regulatory Flexibility Analysis

The Regulatory Flexibility Act, as amended, requires agencies to analyze impacts of regulatory actions on small entities (businesses, nonprofit organizations, and governments), and to consider alternatives that minimize such impacts while achieving regulatory objectives. Agencies must first conduct a threshold analysis to determine whether regulatory actions are expected to have a significant economic impact on a substantial number of small entities. If the threshold analysis indicates a significant economic impact on a substantial number of small entities, an initial regulatory flexibility analysis must be produced and made available for public review and comment along with the proposed regulatory action. A final regulatory flexibility analysis that considers public comments must then be produced and made publicly available with the final regulatory action. Agencies must publish a certification of no significant impact on a substantial number of small entities if the threshold analysis does not indicate such impacts.

This threshold analysis relies on the cost-benefit analysis, which concludes that this regulatory action will generate positive benefits and no costs. In addition to that, this action will not impose restrictions on local businesses in the form of fees, training, record keeping, or other measures that would increase costs. Rather, this action will reasonably improve the management of bicycle use within parks, which, in turn, would enhance

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visitor use and enjoyment and potentially generate benefits for businesses, including small entities, through increased visitor spending. Given those findings, this regulatory action will not impose a significant economic impact on a substantial number of small entities.