TRANSFER OF BLM-MANAGED LANDS TO THE STATES

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL PARKS, FORESTS, AND LANDS

OF THE

COMMITTEE ON RESOURCES

HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

ON

H.R. 2032

A BILL TO TRANSFER THE LANDS ADMINISTERED BY THE BUREAU OF LAND MANAGEMENT TO THE STATE IN WHICH THE LANDS ARE LOCATED

AUGUST 1, 1995—WASHINGTON, DC

Serial No. 104–32

Printed for the use of the Committee on Resources

U.S. GOVERNMENT PRINTING OFFICE

20–051 CC WASHINGTON : 1995

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-047771-9

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TRANSFER OF BLM-MANAGED LANDS TO THE STATES

TUESDAY, AUGUST 1, 1995

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS, COMMITTEE ON RESOURCES,

Washington, DC.

The subcommittee met, pursuant to call, at 10:00 a.m., in room 1334, Longworth House Building, Hon. James V. Hansen [chairman of the subcommittee] presiding.

HON. JAMES V. HANSEN, A U.S. REPRESENTATIVE FROM UTAH AND CHAIRMAN, SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND LANDS

Mr. HANSEN. The Subcommittee on National Parks, Forests and Lands convenes to consider H.R. 2032 which would provide for the transfer of lands managed by the Bureau of Land Management to the States. H.R. 2032 grows out of the continual frustrations experienced by State and local governments who struggle to provide sound futures for their citizens but find it impossible because they have little or no control over their lands.

This is a not a recent difficulty; the western States have faced the impossibility of controlling their own destiny for decades.

This Administration has intensified the feelings of the people in the West, and the BLM can blame themselves for being on the chopping block.

People who live, work and play on these public lands want the best for them. BLM is not responsible for the heritage of our public lands, it is the rancher who improves the range, the logger and miner who provide vital resources to our economies, the State who manages our wildlife, the county who provides law enforcement, emergency services and maintains our roads, the families that recreate on these lands, and the thousands of people who act as volunteer stewards who created the heritage of our public lands. H.R. 2032 is not about giving this heritage away but is about our ability to guarantee this heritage for future Americans.

Since 1782 this Nation has disposed of 1.1 billion acres of public lands. More recently, this Nation took aggressive steps to settle the Midwest and far West. Whether it was the Homestead Act, the Timber Culture Act, the Timber and Stone Act, the Desert Land Act and the numerous other land disposal policies, this country sought to get these lands in the hands of the people.

And we were highly successful. The entire East, Midwest and South were given their lands and were given the ability to control

their futures. The West simply wants our chance to decide for ourselves what is best for the people who use these lands.

We have come a long way since the Homestead Act, and we understand how best to manage our lands. It is my every intention that these lands remain public because that is their highest and best use. However, the Administration and other environmental interests make the assumption that it is only the Federal Government who can manage lands for the public, that only the Federal Government can maintain access for recreation, or that subsidies to the BLM to maintain their ineffective and isolated management policies is something the States would be foolish to give up.

I can promise you that people of the West will gladly let you keep your subsidies, keep all of the so-called public rewards and permit the governments closest to the people to manage the people's lands.

It is time Congress returned to trusting the respective States, to putting power in the individual and to restore the dream of liberty in the rural West. I thank our witnesses for appearing before the subcommittee and look forward to the testimony.

Today we have a very interesting group of three panels, but we will start with our colleague from New Mexico, Joe Skeen who will be our lead-off witness. Senator Craig Thomas from Wyoming is also sponsoring this identical bill, and he has a problem right now, we are given to understand that he will walk in in a few minutes, and we will turn to him and then we will start with the others. So, Congress Joe Skeen, it is always a privilege to have you here, and we will turn the time to you, sir.

STATEMENT OF HON. JOE SKEEN, A U.S. REPRESENTATIVE FROM NEW MEXICO

Mr. SKEEN. Well, thank you very much, Mr. Chairman and members of the committee. It is a delight to be here this morning. As a matter of fact, I consider this to be a very historic day, because personally I waited a long time to appear before this subcommittee and discuss this legislation which is H.R. 2032, and I appreciate having as cosponsor the Chairman of this Committee. It sure makes access a lot easier.

This bill will turn the management functions of Bureau of Land Management lands to these western States that we have been discussing.

H.R. 2032, of which I am an original cosponsor, is revolutionary and long overdue. The 13 western States and New Mexico in particular, have witnessed BLM's aggressive tendency to overregulate, and its massive proliferation and growth in personnel since the 1950's.

I believe that transferring BLM lands to the States is a common sense approach to bringing public management to these areas closer to the people who live near these lands, work on them, use them for recreation. This is in stark contrast to those who believe that BLM lands must remain in Federal hands in order to preserve the public's interest.

In my opinion, the State of New Mexico would be much more responsive to industry, recreation and environmental interests, just as every other State east of the 30-inch rainfall belt handles theirs today. Why should we be treated any differently?

Currently, within New Mexico's boundaries, BLM controls approximately three times more land than the New Mexico State Land Office, but it employs approximately nine times more employees. This is clearly an example of an overstuffed budget and an inability of our Federal bureaucracy to do an efficient job.

If you give credence to the environmental groups' assertion that the West is being destroyed by ranchers, miners, and timber companies even with BLM's ever-expanding budgets, you might conclude that the BLM is not an effective agency. And I believe that it is time to try a new management prescription, and H.R. 2032 is a step in the right direction.

This bill also saves the taxpayers millions of dollars by doing away with any so-called subsidy for public lands ranchers and eliminating most of the BLM budget. H.R. 2032 is a very efficient and cost-effective approach to managing public lands.

I firmly believe it is one of the best and most efficient methods of reducing the Federal budget while increasing the States' rights.

BLM spends approximately $400 million more than it retains from royalties, fees and receipts from timber, grazing and energy development nationwide. On the other hand, BLM retains approximately $100 million more than it spends to manage lands in New Mexico.

Therefore, New Mexico producers are subsidizing the Federal Government's activities in other States. Just like the eastern States, New Mexico should be managing these lands and allowed to keep any money generated from activities within its boundaries.

H.R. 2032 requires the Secretary of the Interior to offer all BLM lands within each State to the Governor and the State legislature who may accept or reject the offer.

Once a State accepts the lands, they would be transferred to the State after a ten-year period to allow for the transition. All valid existing rights would continue to be recognized.

Valid existing leases and permits on lands to be transferred would be honored for the term of the current agreements and managed under their current terms and conditions. Designated wilderness areas will be managed by the State as wilderness and in accordance with the requirements specified by the Wilderness Act of 1964.

Mr. Chairman, there is none more distinguished a gentleman that I know of than the State of New Mexico's Lieutenant Governor, Walter Bradley, who is with me this morning and will present testimony in very strong support of H.R. 2032. He will also give you some idea about whether or not they would be willing to accept the BLM lands under the conditions set forth in this legislation.

I believe the State of New Mexico is leading the way in the States' efforts to take back public lands managed by the Federal Government. New Mexico and other western States should be treated like every State east of the 30-inch rainfall belt.

I thank you for this opportunity to testify, and I would entertain any questions that you or other members of the Committee may have.

Mr. HANSEN. Thank you, Representative Skeen. We appreciate your excellent testimony. We are honored to have with us Walter

D. Bradley, Lieutenant Governor of the State of Utah. It is a privilege to have you with us. We will turn the time to you, sir.

STATEMENT OF WALTER BRADLEY, LIEUTENANT GOVERNOR OF NEW MEXICO

Mr. BRADLEY. Thank you, Mr. Chairman, members of the Committee. I want to thank you again for allowing me to appear before you today to speak in favor of House Resolution 2032. The State of New Mexico is the fifth largest State in land mass in the United States totaling just under 78 million acres of land. Our population of about 1.6 million people is spread out in pockets all over a State that is rich in natural resources.

We are primarily an agriculture and mineral State with many recreational/tourist areas and in November 1994's election, I believe that the citizens of New Mexico and the Nation sent a strong and loud message to government. Fed up with too much government regulation, they feel government has become overly intrusive not only in their business lives but their personal lives as well.

Many of our citizens view government as a big brother who once extended a helping hand but now resorts to strong-arming the little ones. Government has gone from being a servant to being a dictator.

The general feeling of the people is that Washington can't possibly know how best to help them with the running of their daily businesses and personal lives. They feel the best government is the one closest to them. One they can actively participate in rather than one in which they have to rely on the participation of others.

In the State of New Mexico, approximately one-third of our land is under Federal management. We have oil, gas, coal, CO2, potash, sodium, lumber, grazing and recreational royalties and fees on these lands.

Yet despite our role as the State where these products come from, we have direct influence on neither the negotiations of these contracts nor the disbursement of royalties.

Forgive me, but having the Federal Government dictate a blanket management program to 50 diverse States is a bit like buying the same size shoe for everyone in your family. Simply put, it is not always the best fit.

With the advent of the various acts passed by the U.S. Congress that affect land use, the State has no direct influence in the formation of regulations to implement these acts, not to mention the fact that enforcement is rarely coordinated with our law enforcement agencies. This causes great hardship on our citizens while at the same time creating a sense of isolated frustration that our interests and concerns are not being considered.

At a time when the Federal Government is working to bring its budget under control and is looking to eliminate duplication and become efficient, it only makes sense to include the States.

We have in the State of New Mexico a department which performs many of the same functions as the Bureau of Land Management. We can, we believe, manage the Federal land and preserve the intent of the Federal law for less taxpayer money and with greater benefits to the citizens. We in New Mexico think a better management system will be created by a relationship between Fed-

eral and State government that reflects partnership rather than unilateral decree.

We recognize our land as a most precious resource, and we all want to be certain that it is used wisely. The western farmer and rancher have a long heritage of land management. They provide sustenance for the rest of us and know they must preserve the integrity of the soil. They are some of our best environmentalists.

The citizens of the State of New Mexico know best how to effectively implement sound management practices on our land. They deserve to be included in this process and, I believe, were guaranteed the right to be included by our Constitution.

I wholeheartedly support H.R. 2032 and hope you will afford it your highest consideration. My remarks today have deliberately been brief, as I want to provide you with ample opportunity to enter into a dialog with me on this subject.

It has been our practice in the State of New Mexico, we have a Department of Energy, Minerals and Natural Resources that negotiates the same types of contracts that BLM does with the one exception of potash and sodium, which is only on the Federal land, but all the other contracts are negotiated on the State land by our own department. So why this duplication?

To be quite honest with you, we found that we are better negotiators than the BLM. We get a little bit better royalty, we get a little better fee, and, quite frankly, we know more about our own land than the Federal Government.

We also believe that the regulations of the Wetlands Acts and the Endangered Species Acts have been used against us. We are fed up with that. I will give you one example. You know, the Federal Government is not supposed to be buying land, but the Nature Conservancy group comes in as a nonprofit organization, uses Federal and State grant money, buys land and turns it over to BLM.

The most recent acquisition was at the head of the Mimbres River in the southwest section of the State of New Mexico. Now, they are going to control the water rights from the head of this Mimbres which puts in direct danger the rancher and farmer downstream. We don't believe that is right.

This thing has gone absolutely crazy, Mr. Chairman and members of the Committee, and we believe it is time that you let the States do what the States do best and that is judge their own land. I would be happy to stand for questioning.

Mr. HANSEN. Thank you very much for your excellent testimony. We have now been joined by our former colleague, Senator Craig Thomas of Wyoming who is sponsoring this identical piece of legislation in the Senate. Senator, it is good to see you again and we will turn the time to you, sir.

STATEMENT OF HON. CRAIG THOMAS, A SENATOR FROM THE STATE OF WYOMING

Senator THOMAS. Thank you, Mr. Chairman. I appreciate the opportunity to be here, appreciate the fact that you are holding this informational hearing.

Let me just go through this fairly quickly, and I want to talk about it conceptually and then in general and broad ideas because I think that is where we are.

First let me say that I strongly support the concept of multiple use of public lands and believe and hope that the States will continue to use these lands for a variety of uses, which includes hunting and fishing and recreation and grazing, mineral exploration and all these other uses.

The key to what we are talking about here is to give local people the ability to make these decisions and not have them made for us in Washington.

Let me just say as a matter of interest that the Wyoming legislature 12 years ago passed a statute saying that these lands should be in control of the States and that they would be managed for multiple use.

Let me just comment on a number of things, without any particular order or continuity. First of all, I think it is very important that we make it clear what we are talking about here in terms of lands. These are BLM lands. These are residual lands. These are lands that were left when the homesteaders took up private lands, when the homesteaders took up the river bottoms and they took up the water and they took up the winter feed.

These are residual lands. These are not lands that have been withdrawn for some other use. These are not parks; these are not forests; they are not wilderness; they are not wildlife refuges; these are residual lands which constitute about 50 percent of Wyoming, and higher percentages in other places. That is a little too high. The Federal lands are 50 percent; BLM lands are something less than that, but substantial.

Second, let me say that I think there are taking place here and necessarily and will continue to take place, some fundamental changes in government. And we will be looking at the way government ought to be run, and the things that are logically done with the Federal Government and the things that logically and constitutionally can be better done by the States.

I mean, we are talking about eliminating the Department of Energy and the Department of Commerce and some significant changes, which indicate to me that it is reasonable to take a look at those things the Federal Government does best, the State government could do best.

We are also looking at this opportunity to move government closer to people. If there was anything that has been said over the last several years is that the Federal Government is too large, spends too much and is not as close to people as it ought to be.

So, there is a concept, there is a fundamental belief that we ought to reduce the size and the cost of the Federal Government.

Of course, there is the question of equity and fairness that comes about. And it seems to me that that is a real issue. As we look at the western States, 50 to 80 percent of the land is retained and managed by the Federal Government as opposed to the remainder of the country where that is not the case. A question of fairness; a question of equity is there.

Obviously, there is a question of States' rights and people argue that in various ways, but clearly there is a Tenth Amendment issue as to where we ought to be. In our State's act of admission, there were mentions of Yellowstone Park and those lands that had been

withdrawn and reserved. There was no mention of keeping half the State in terms of residual lands.

As a matter of fact, the organic acts of these management agencies indicated they would be managed pending disposal. That was the notion in the beginning.

So, I think these are the kinds of concepts and of course you will hear a lot about management. I am persuaded, of course, that management close to people is the best kind of management. I think there is an awful lot that ought to be done in terms of blocking up and making these lands more manageable.

We have, as you do, Mr. Chairman, checkerboard lands going through Wyoming. These are terribly difficult to manage. I hear Federal agencies talking about making trades and doing other activities—it never happens. Never happens.

I have been here in this committee for several years seeking to cause that, and it seldom ever happens. So, I am of course not surprised that the agency basically resists it, but I don't know quite why. It is going to take professionals to manage this land if it is managed by the States, and many of those professionals would be the same.

So, Mr. Chairman, I just think that we ought to be looking at this in terms of who can do the best job of multiple management of these lands. How can we make the best utilization for the people of these resources? I think we ought to be looking at the fundamentals of government where we can govern the best. What are the responsibilities of the Federal Government vis-a-vis the State? This is one of those kinds of things where that issue takes place.

Let me say in closing again though that I think it is important. You find people talking about threats to parks and so on. We are not talking about that. We need to make sure we understand what we are talking about.

Finally, let me say to you that clearly there will be as time goes by more competition for the funds that are available. More competition for the funds that are available to the Department of Interior. And I think people will have to make some choices in terms of priorities. Do you want those dollars to go to the national parks? Do you want to use them for wilderness? For forest? For lands that have a particular characteristic? Do you want to see them used for fish and wildlife? And these will be the choices.

It isn't as if there are just tons of money and you can spread it wherever you want to. You all know better than I that there will be priorities. And it seems to me that that figures into this.

So, Mr. Chairman, I am pleased to be here. I am pleased that you have your bill forward. I think it makes some sense. I think it should be out there as an alternative as we go forward. I happen to have a priority at the moment in terms of time and that is to arrange land management because there is a time imperative there, but I think this is terribly important over time.

I appreciate your efforts and appreciate the opportunity of being here.

Mr. HANSEN. Well, thank you very much. We appreciate the comments from a former colleague and former member of this Committee.

[The prepared statement of Senator Thomas follows:]

STATEMENT OF SENATOR CRAIG THOMAS, A U.S. SENATOR FROM WYOMING

Mr. Chairman, thank you for holding this hearing today to discuss our bill to transfer the lands controlled by the Bureau of Land Management (BLM) to the States. This is an issue we have been working on together for a number of years and I appreciate you inviting me to testify before the subcommittee.

The purpose of this legislation is to give the western States the opportunity to manage the BLM lands. These areas were never intended to be in permanent Federal ownership and I believe it is time we take action to transfer these lands to the various States. The measure is a common sense approach that supports the goal of good government and will make important changes in the way public lands are managed in the West.

Currently, the BLM controls nearly 270 million acres of land in the United States. The agency administers over 18 million acres of land in Wyoming, over 22 million acres in Utah and nearly 89 million acres in Alaska. This land ownership pattern puts a heavy burden on the people of Wyoming and all the western States and significantly affects the economy throughout the West.

In addition to the vast amount of land controlled by the agency, the BLM places a heavy budgetary burden on the taxpayer. For Fiscal Year 1996, the agency requested $1.6 billion for its operations. The agency is a large bureaucracy that has become too big, too burdensome and costs too much.

I sponsored this legislation because I believe government operates best when it is closest to the people. There is a principle involved in this measure: land management decisions can be made better by folks in the State capitols than people in Washington, DC. This is a question about fairness and who can do a better job of listening to the concerns of local people. I trust the people of Wyoming and the other States to make the proper decision for themselves.

Transferring the BLM lands to the States is a common-sense approach to bring public management of these areas to local people. I strongly support the concept of multiple use of public lands and believe the States will keep these areas open for a variety of uses, including hunting, fishing, recreation, grazing, mineral exploration and many other uses. The key is to give local people the ability to make these decisions, not Federal bureaucrats.

It is time for the Federal Government to begin to set priorities for our Nation's public lands. Currently, we are facing a severe Federal budget deficit and funding for programs throughout the Department of Interior are being reduced. This trend is likely to continue and the Congress must decide whether it wants to provide funding for national parks, wilderness areas and other scenic regions or the lands that do not have any significant scenic or historical importance. Transferring the lands to the States is not a radical concept, but simply a matter of good government and fairness.

Mr. Chairman, I once again would like to thank you for giving me the opportunity to appear before you today. The time has come for the Federal Government to release its grip on the western States and I believe our bill takes an important step in that direction.

[The prepared statement of Hon. Richardson follows:]

STATEMENT OF HON. BILL RICHARDSON, A U.S. REPRESENTATIVE FROM NEW MEXICO

Mr. Chairman, I appreciate your holding this hearing on H.R. 2032. I have no doubt this bill reflects deeply held views. However, on this legislation I must part company with you. As a New Mexican, it would be easy to be parochial and support this proposal because, on a first glance, it looks appealing. However, a closer read of this bill has convinced me this is a bad deal for the American taxpayer and my constituents. These are public lands we are talking about that belong to all Americans. Of course, I want New Mexicans to have a say in the management of public lands in New Mexico, but I am unwilling to shut out Americans from the 49 other States who also deserve a voice.

I am concerned that H.R. 2032, instead of calming tensions, will instead heighten them. It pits the West against the North, the South and the East. H.R. 2032 has no requirement that these public lands be managed for multiple-use purposes, as is currently required. There are no guarantees of public access to these public lands once they are transferred. There is even no guarantee that the lands remain in public ownership. States would be free under this bill to turn around and sell them to the highest bidder. If you don't think that could occur, just look at what happened to many of the statehood grant lands of these same States.

We have no idea what the ramifications of this bill would be for public land users. H.R. 2032 could very well mean the privatization of public lands, restrictions on ac-

cess, or elimination of multiple-use management. Further, I can not believe at a time when the Federal Government is squeezed for every dollar it can get, that we would contemplate giving away the billions upon billions in assets that are our public lands.

Mr. Chairman, I am all for the idea of enhancing public land management, but H.R. 2032 falls far short of that goal. I am unwilling to abdicate a legitimate Federal role and the mandates of multiple-use management. These are national resource lands that should be managed for the benefit of all Americans.

[The prepared statement of Hon. Bob Stump follows:]

STATEMENT OF HON. BOB STUMP, A U.S. REPRESENTATIVE FROM ARIZONA

Chairman Hansen, Vice Chairman Duncan, and distinguished members of the National Parks, Forests and Lands Subcommittee, I appreciate your holding today's hearing on the transfer of public lands managed by the Bureau of Land Management back to the States.

Arizona's Third District, which I represent, is largely federally owned, with the Grand Canyon National Park in the north, the Prescott, Coconino, and Kaibab National Forests, the Lake Mead National Recreation Area, numerous Indian reservations and lands held in trust for tribes, and fish and wildlife refuges. Among the largest land areas in my district are those managed by the Bureau of Land Management. Nearly 20 percent of Arizona is managed by the BLM.

I fully support the intent of H.R. 2032, a bill to transfer the lands administered by the Bureau of Land Management to the State in which the lands are located. The bill is a common-sense proposal in line with the current efforts in Congress to eliminate bureaucracy in our Federal Government by streamlining its functions, reducing its size and cutting costs.

The benefit to the Federal Government will be immediate in the form of reduced spending for the Bureau of Land Management. The benefit to the States will be readily apparent in that it will bring the government closer to the people. The land transfer reaffirms a State's right to manage lands within its borders and will allow a more consistent land management policy throughout a State. People will benefit from a greater opportunity for public involvement in land management decisions. Resource management will be able to draw upon the experiences of local people to find local solutions to pressing land management problems.

It is important to recognize that the transfer of lands will not be in the form of a mandate, nor does it represent a Federal giveaway. The bill provides an option for States to accept, or reject the land transfer and restores States' rights. I believe that the bill is an important first step toward land management, particularly in the West, where there has been undue political influence on land management decisions from people outside of the State. I pledge to you, my colleagues, that I stand ready to assist you in making this bill become a reality.

Mr. HANSEN. I would be happy to recognize the members of the Committee for five minutes each on this panel, and we will take you in the order you arrived. I don't know who was here first, Mr. Cooley or Mr. Ensign. Mr. Cooley from Oregon, I will recognize you for questions of the panel.

Mr. COOLEY. Thank you, Mr. Chairman. We in Oregon are going through the same frustration you are in New Mexico and Wyoming, and we understand your problems as well.

I cosponsor this bill with the Chairman because I feel the same as all of you do. What is happening here, the BLM Act was formed because we stopped the Homestead. And the original idea was to give this land back to the States in order for them to manage it through private property, through homesteading. And along the way we got diverted from our efforts, and we are where we are today.

I looked at the chart that we were provided by the Bureau of Land Management here, and I looked at 1993 because that is the earliest dates we have. And it showed my State as well as yours, an aggregate to come out.

Believe it or not, Oregon had the largest income for BLM because of our timber sales in 1993. I guarantee you, gentlemen, if this was 1995 that $147 million would be almost zero, because we are not cutting any trees, because under the Bureau of Land Management programs, they have discontinued any uses of public lands for revenues which will be generated to the States.

We definitely, as you have said in your statements, need to change this process. And the way to do this is to give it back to the States. Everyone of us knows that our States now that are running our State lands, are making money. There are no States that are losing money.

I really appreciate you gentlemen coming here and reenforcing a conviction that we feel in the West that we need to change BLM and give that property back to State management. And I do appreciate you coming here and reconfirming what we all believe needs to be done, and your testimony is very valuable to us. Thank you very much, Mr. Chairman.

Mr. HANSEN. Thank you. Mr. Ensign of Nevada.

Mr. ENSIGN. Thank you, Mr. Chairman. I would like to toss out a couple of questions for the panel and that is some things that are brought up to me. I am forming in Las Vegas a task force basically between city, county, governments, developers, environmentalists, people in power companies, telephone companies, everybody to try to get a handle on how we manage the public lands around Las Vegas.

My State happens to have the highest percentage of lands managed by the Federal Government of any State in the union. And so, this is a great concern that we have in our State as well.

Some of the questions that I get asked are that if there are problems with the Federal Government, maybe with the BLM, why don't we concentrate on fixing those problems instead of disbanding the agency? Some people are afraid that if the Federal Government doesn't have control that the States are going to sell it off to developers who may abuse these very delicate lands in the West. I just toss that out for discussion.

Mr. SKEEN. Let me start off by saying that it is a good question. The reason why we are having so much trouble with the Federal Government and management of lands is that every agency of the Federal Government that has anything to do with managing lands has a different philosophy.

Right now you have BLM trying to replicate what the Forest Service has done in land management. They can't seem to get their act together among the agencies themselves on the Federal level. Each one of them has a different criteria.

It is very confusing to have that many different styles of management talked about and the way they handle a large percentage of the land areas in States like yours and ours. And some of them are diametrically opposed as far as the philosophy of management is concerned.

Management starts with people who are there day in and day out managing the pieces of land if they got a grazing permit or something of that kind. That is why I think it is better that we move it back to the States and put it under one kind of philosophy and have one kind of an approach and one kind of a doctrine to

deal with public lands and particularly with the people who are there day in and day out doing the actual management and the stewardship of those lands.

Mr. ENSIGN. Just to follow up for further discussion. How do we guarantee that the States will be as responsible as the Federal Government?

Mr. SKEEN. May I try that one on too? The environmental concerns start with the person who is responsible for that piece of land. I don't know of any land operator that has any responsibility whatever on a long-term basis. If we go back three and four generations on grazing, which is a primary use of the land in the State of New Mexico, you are not going to destroy or otherwise damage something that is your base income property, or income base.

And we have argued this with the people in government. It takes day-by-day management. The best environmental concern I know of is a person who is responsible for that particular piece of property and that land and who operates on it day in and day out.

Mr. BRADLEY. Let me, Mr. Chairman, Mr. Ensign, is that correct? Mr. Ensign. In New Mexico we are already doing this with our environmental department. We have to enforce the Federal law. You don't have the EPA in the State of New Mexico. We have the environment department who enforces OSHA, EPA requirements, all of those are under that executive branch of government right now.

We have also done something that we found quite historical in our legislative session this year for the first time we had an agreement on the Endangered Species Act between the cattle producers and the environmentalists, and now we are going to have cost analysis as a factor before we start implementing these new regulations.

I don't know anybody else that has brought those two groups together on a compromise. It was done this year in New Mexico because they are all realizing what we are having to do, which leads to the point that we have been talking about here today; the people that are closest to these issues know better how to enforce them.

We are obligated as a State to enforce these Federal laws and regulations. Our complaint is we don't get to participate in writing the regulations. We don't get to participate in the negotiations.

Mr. ENSIGN. Could this, as some people have said, become just another unfunded mandate from the Federal Government?

Senator THOMAS. I don't see that at all.

Mr. ENSIGN. In other words, if the States have to comply with all of the Federal laws and they get the management, that becomes an unfunded mandate.

Senator THOMAS. Well, Mr. Chairman, Mr. Ensign, with the amount of profit that is being made by the Federal Government from our States, let me assure you one thing, we will be much more prudent than the Federal Government. We need that money.

Mr. ENSIGN. So you feel like you could handle the management and do it within the funds that would be provided from those lands?

Senator THOMAS. Mr. Chairman, Mr. Ensign, not only will we manage with it, we will make more profits and we can give it back to the people.

Mr. ENSIGN. Very good. I just have one other quick comment.

Mr. HANSEN. Let me comment. Number one, it is a good question. Number two, I have a great deal of faith in the people of Nevada being able to make decisions for themselves. Number two is guarantees. They want a guarantee. What guarantee do you have now? You have no guarantee that it will remain the same. Number three, these environmental laws are out there and being enforced now and will continue to be. So clean air, clean water, all those things will not change.

Mr. ENSIGN. Mr. Chairman, just one last quick comment that I have. I got a phone call last week from somebody who was in the middle of Las Vegas. We have very much of a checkerboard pattern in our State with BLM. I got a call from somebody who is building a mini warehouse right on the corner of two section lines which are both zoned for three-lane roads. The easement for the one road has not been granted yet by the BLM, and he was told that it is about eight months away; it takes a total of 18 months to get that easement granted. He has a $3 million project that he is waiting for so that he can get his power 50 feet away instead of going two miles down the road to get his power, and that is potentially holding up this entire project.

I think it is difficult. The County Commission is trying to get the BLM to speed this up, and can't do it. I think this indicates some of the problems that when the Feds control the land, what you run into. Thank you, Mr. Chairman.

Mr. HANSEN. Thank you. The gentleman from Minnesota, Mr. Vento, is recognized for five minutes.

Mr. VENTO. Mr. Chairman, I have listened with interest and have looked at the bill. The phenomena that occurred is that there was a grant of lands to the States, the 11 western States, when they came into the union and they have sold about half of the land that was granted to them. Your view, Lieutenant Governor Bradley, that the lands that would be conveyed through this bill would be available for State disposal?

Mr. BRADLEY. Mr. Chairman, there has been some, yes, not all would be available. It depends on the circumstances where they are going. Under BLM though, our charge would be to try to under current law, administer as much of that to the private sector as possible.

Mr. VENTO. So, in other words, you would be contracting out the management of these public lands, these BLM lands, is that what you are saying?

Mr. BRADLEY. Not all of——

Mr. VENTO. You said the management through the private sector, what do you mean by that?

Mr. BRADLEY. Mr. Chairman, Mr. Vento, what I am saying is that some of it we can sell off, some we can't. So our Department of Energy would be managed in the same way as they are doing right now in the State lands in the way of leases on those that we couldn't sell. There are sections, we are a big State, and to give you an example, we have——

Mr. VENTO. We sell land right now, don't we?

Mr. BRADLEY. No. You do not.

Mr. VENTO. The BLM doesn't? I am looking at the 1994 budget, the sale of land and minerals, $80 million. Nevada land sales, $288,000, $80 million, so it is 80 million dollars worth is sold so right now we are selling.

Mr. BRADLEY. Do you want to help me, Joe?

Mr. SKEEN. Yes, I would like to help you.

Mr. BRADLEY. OK, thanks.

Mr. SKEEN. There is a moratorium that BLM has on the sale of BLM lands. They have not been selling any lands unless there was some specific purpose or outside of the grazing area or whatever the operation is.

They haven't lifted that moratorium since the early 1970's. Now, I don't know what they are referring to in land sales in the State of Nevada.

Mr. VENTO. Well, I think that is under the Santini Act.

Mr. SKEEN. Well, that was under a mineral situation.

Mr. VENTO. Yes, well, it is minerals. I said minerals and land. The BLM, according to the Federal collections, in 1994 took in a little less than $1.3 billion. They paid back to the States $725 million.

Mr. BRADLEY. That was in PILT?

Mr. VENTO. No, they don't have quite that much in PILT yet. They are trying though, I want to assure you of that.

Mr. BRADLEY. That would be the PILT payment.

Mr. VENTO. No, it is actually the mineral royalties in PILT, that accounts for about $623 million, the rest comes in various sources. Largely referring to some of the timber sales in smaller amounts that are in there, grazing fees, $3.25 million. But the point is that an awful lot of the money that they collect on fees already goes back to the States; in fact, well over half the money, according to this chart, goes back.

One of the problems here is, of course, that the States may cherry-pick certain lands, they can't just take it all over, they just could take over that which is the most desirable. That is obviously what has happened with BLM lands historically, is that those that were most desirable because of water, because of other mineral characteristics and amenities, were picked up and others were left. What is to prevent that from happening in this legislation?

Senator THOMAS. I don't think this legislation allows for that. States make a decision whether they are going to take the lands or whether they are not.

Mr. VENTO. All or nothing.

Mr. BRADLEY. Right.

Mr. SKEEN. Mr. Vento, when those lands were apportioned back to the States, the Federal Government was the one who made the decision, and gave them the exact numbers and the exact sections that were to be ceded back to the States for the support of common institutions.

And that is the case in the State of New Mexico, so this was specified sections per township that they gave back to the States, and there were four of those when they came in originally and then two more sections later on——

Mr. VENTO. Well, it is creating a history lesson here.

Mr. SKEEN. Well, I think it is important that you know the history before——

Mr. VENTO. Oh, I do too. But I think that speaking as to the future, your comments, Congressman Skeen, and I quote, you mentioned that you are a cosponsor of the legislation, and turning the Federal land over to the State would help the State create a tax base in those areas where none exists.

The State would auction off portions of the land which are used for grazing purposes or oil and gas drilling or mining and collect property taxes which could then be used to maintain roads in those areas. So, it sounds to me like the States then would be selling off the most profitable portions of the land, is that your——

Mr. SKEEN. Not unless they chose to do so, but under the State laws and in the State of New Mexico today, if you have a grazing permit on State land, you as the permittee can have that land put up for sale at the courthouse if you choose to do so. And you have to bid it on an open bidding process. But you go through a big rigmarole to——

Mr. VENTO. Well, I think they have some other requirements in there in terms of preferential right of renewal of the grazing permits.

Mr. SKEEN. That is correct.

Mr. VENTO. Obviously if they are all in favor of auctioning and doing some other things, there might be more of a willingness. One of the problems is that we spend about a quarter billion dollars each year firefighting on BLM lands.

Mr. BRADLEY. Well, you do that in conserve with State entities as well.

Mr. VENTO. But if you were taking over the quarter billion dollars or that portion, one of the issues is I guess that it is Senator Thomas' intention that the entire State be in an all-or-nothing proposition, but then some States have greater mineral resources than others.

This whole idea that there isn't collaboration or cooperation between the BLM and the States is interesting to me. I know that is not the case with law enforcement. That may be the case with other areas.

But, you know, I think that that speaks to another issue. Anyway, I am sure that most of you are not surprised at my questioning of this particular proposal. You would expect no less of me, I am sure.

Mr. SKEEN. You are always a surprising individual, Mr. Vento. Don't underestimate yourself.

Mr. VENTO. I will try not to, or overestimate myself either. Mr. Chairman, right now I have overstepped my time.

Mr. HANSEN. Thank you. The lady from Idaho, Mrs. Chenoweth.

Mrs. CHENOWETH. Thank you, Mr. Chairman, and Congressman Skeen and Lieutenant Governor Bradley, it is awfully good to have you here.

I enjoyed working with Congressman Skeen on some of our western issues. I am not yet a cosponsor of this legislation because I do want to work on the water rights section of it. And I hope that I might employ your assistance in the water right language.

Senator Thomas, I watched you last night and yesterday as you spoke about the overreaching of the Bureau of Land Management, and I think you were very eloquent but you also certainly gave a picture to the viewer of the fact that we now have an agency protecting a process even to the extent that they will step outside the line of authority granted by the Congress, that being the Hatch Act and President Bush's executive authority. I thank you for speaking out as you did. It was extremely good.

I do think that also affects this legislation, and for the record here could you enlighten us on some of the activities with regards to the Hatch Act, violation of the Hatch Act and the Bush executive order?

Senator THOMAS. Well, just very briefly. We had a hearing last week at which time Senator Craig introduced some information that there was a considerable amount of political activity going on with respect to the Range Land Reform proposal. There is in the appropriations law, a very clear prohibition about agencies involving themselves in the political aspect of legislation before that legislation is passed.

As I said last night, there are two aspects of it to be considered. Number one, these are allegations, and we don't know where we are, we are going to look into it. Number two, I think the law is designed largely to protect career employees who do not wish to get into the political arena.

They are there as professional managers, their job is to implement the law and for the most part they are not interested in getting into the controversy of the politics of it. And in this case, hopefully they haven't been forced into that.

The second aspect, of course, it would be very unfortunate if we turned the entire Federal bureaucracy into a lobbying agency. And that is against the law. So, we are looking at that. No allegations have been made. We are trying to work with the Secretary and I think it is the obligation of our committee on oversight and investigations, and that is what we are doing.

Mrs. CHENOWETH. Thank you, Senator. Have you also found in your work as we have over here that even the Secretary admits that with the partnership between the ranchers, the State and the Federal Government as well as environmental organizations, that we actually can enhance the wildlife and that it is admitted that the State of the rangelands is in better shape today than it ever has been?

Senator THOMAS. That is the assessment of the agency, of course. Just let me say that, and this is one of the aspects of it, I think we have real good people working in these agencies, trying to do the very best job. We, as a practical matter, handcuffed them in management, right here in the Congress.

You are talking about land trades. The kinds of preparation that are required under law to carry on any sort of a land trade just absolutely makes it almost impossible to do that. And with archeological studies and all those kinds of things to the point that it is much more expensive to prepare for a land trade than the value of the land that is traded.

I just want to say to you that this is not a criticism of the people who are out in the country, on the land, but a criticism of the bu-

reaucracy and the function from here. That is one of the reasons we need to put it in State control.

Mrs. CHENOWETH. You know, we have a project in Idaho where ranchers have been working with the State Fish and Game as well as the Bureau of Land Management on Bureau of Land Management lands where 20 years ago they brought in 6 breeding pairs of California bighorn sheep, and for the last two years we have been capturing sheep and thinning them out to other States because they have bred up to the point that there are at least 1,800 that we can count and other herds that have gone over into eastern Oregon, so it is a real success story.

Turning the lands over to the State, I think that we can continue to enhance that. But, Senator, what do the vacant unappropriated Federal lands mean to you today by definition?

Senator THOMAS. Well, they certainly aren't vacant. What it means to me is that there have been, in my view, lands withdrawn. Yellowstone Park. Teton Park. Devil's Tower. These are lands which have special recreational characteristics. They are part of the national jewels of our Park System, and they properly belong in a national park, in my view.

The same is true of the forests, the forest reserve. They are called the U.S. Forest Reserve. These lands were reserved for a particular purpose. They have a unique characteristic. And the same is true with wildlife refuges. I think the difference is that these lands simply were residual, they were simply there. And they have been managed.

So we get to a time when there have to be priorities established, and Mr. Vento talks about the expenditure; he didn't mention that there will be less expenditure this time than there was last year. There will be less next year. And so, we are going to have to make some choices.

What we have done frankly, and I admire that, is we have simply this year reduced everything. There comes a time when you have to say there are some things that we should change rather than just simply reduce and intend to continue to do them on the edge.

So all these things factor into it. And I think it is a legitimate consideration of fundamental change. And that is what is involved here.

Mrs. CHENOWETH. Thank you. I thank all three of you for the honor that goes to us of your appearing before us. Thank you.

Mr. HANSEN. Thank you. The gentleman from Montana, Mr. Williams.

Mr. WILLIAMS. Thank you. Nice to see you all. Senator, it is good to see you back over here.

Sometimes if you try to get at the facts in a historical way you get a better perspective of whether or not legislation ought to pass. I think there is a myth out there that needs to be corrected, and that is the Federal Government, the public in this country has never gotten rid of any of the land they hold.

During the last decades, the public, the national public, has sold or granted 60 percent of its original holdings. So the question is, what is left and how important and critical is it? Until the early 1980's, there was always a very bipartisan, it seems to me, view

of the public's land and how we were going to pass on this green and flourishing estate to our descendants.

Theodore Roosevelt insisted that the plunderers be pushed back and the public land be held in its own domain. He was joined by John Wesley Powell, Jack Kennedy, Gifford Pinchot, Bob Marshall, Nelson Rockefeller. All wanted to hold as much appropriate land as we could in the national estate so we could pass it on.

So it isn't that nothing has ever been granted or sold or traded, nor is it that this issue until the last decade and a half has been partisan. Our good friend who had to leave, the Senator from Wyoming, mentioned that the issue is who can do the best job of managing it. Well, that is part of the issue.

But there is also, it seems to me, a very important and critical issue about who has responsibility for it. Who has jurisdiction over it? And are they simply going to relinquish that to another governmental agency and under what law or what ideology are we going to allow that to happen?

Now under this who can best manage it, you know, as Alyce Joseph knows, I represent all of Montana. And so I see foolishness in the Federal management of some of these lands. I also see foolishness in the State management of their lands.

What if the Federal Government did this? Now, this is what some States out West do with regard to their land, and we would give them the rest of the public's land under BLM, under this bill. States out West, some States out West, don't allow campfires. Now let us say the Federal Government decided to do this under regulation. No campfires on the land. All dogs must be leashed.

You can't camp anywhere on State lands after the sun goes down. You can't camp for two nights in a row on the States where you can camp after the sun goes down. You can't hike. You can't bird watch. What if the Federal Government decided to do that? There would be an uproar from both the right wing, we would hear from Rush first, and then the rest of America would follow and the Federal Government, people would think we had gone absolutely loony. That is what States out West do.

And by the way, my State of Montana does all those things except two. You can bird watch in Montana and you can camp overnight, but no more than two nights. We are going to turn the public estate over to that kind of management? I don't think the public is going to want that once they begin to see what the States are doing with the land that they are managing.

We have between 800 and 900 full-time and seasonal BLM employees in Montana. The payroll is about 14, 15 million bucks. Let me tell you, fellows, Montana wants no part of that payroll. Our taxpayers do not want to cough up 14 or 15 million bucks, all by themselves to manage that BLM land in Montana.

Are there problems with Federal management of land? I think there are. I think there are. And I think we ought to solve that. But I don't think that we ought to turn over this public estate to the States. I apologize for there being no question on that but if I have any time——

Mr. SKEEN. Could I respond to you, Pat?

Mr. WILLIAMS. I yield to my pal.

Mr. SKEEN. I appreciate what you are saying and, yes, States can do loony things like the Federal Government does loony things, only we do it on a bigger scale.

How do you think that all the States that came into the Union including from Oklahoma on east, ever wound up with any philosophy of managing their lands, so to speak? Because they are mostly privately owned. The only reason they didn't in the western States is because we didn't have enough rainfall to make a crop, so they didn't homestead a lot of it.

It was grazed, you know that history. Yes, there are a lot of crazy things done but I think that there are a lot of smart things being done too. And States are just as capable of being smart as the Federal Government is being smart and just as capable of making mistakes as the Federal Government is.

Mr. WILLIAMS. A lot of smart things being done by both governments.

Mr. SKEEN. Now, you are talking about the payroll. No, you don't want to support that payroll. We don't want to support it either. Since 1950, BLM has increased their staff or their management groups from two and three in the regional offices to 300 in each regional office. That is since 1950.

Mr. WILLIAMS. Well, Mr. Chairman, I know my time has expired, but let me just say this. I don't know the figures in Montana with regard to BLM, but with regard to Joe's last good point, we have in Montana more Forest Service people working in the offices than there are Forest Service people working in the offices here in Washington, DC.

Mr. SKEEN. That is correct.

Mr. HANSEN. The time of the gentleman has expired. The gentleman from Colorado is recognized for five minutes.

Mr. ALLARD. Thank you.

I just wanted to thank Senator Thomas for his leadership. I know he is not here right now. And also Representative Skeen for his fine work. I would just elaborate on Mr. Skeen's report. I would just elaborate a little bit on what Mr. Skeen was saying, that the States can do a much better job of managing these lands than the Federal Government.

I would look more specifically at what has happened to the BLM offices in Colorado, for example. Where we had just a few employees a decade or two ago, today there is a large number of Federal employees in those offices, and it is hard to justify their existence, in my way of thinking.

Obviously I would agree with what Mr. Williams said, is that the States don't want this huge payroll responsibility. The States recognize that there is a lot of inefficiency in the way the Federal Government is running these offices. And the States can operate these offices more efficiently, more effectively with more concern for the local habitants of those States than what the Federal Government is able to show.

Mr. Bradley, have you seen a similar growth in the bureaucracy in the Federal Government, and what would be your response to that Federal Government? Would you reduce the number of employees, pay them less with less benefits and get the same job done? Would you please respond to that?

Mr. BRADLEY. Mr. Chairman, Mr. Allard, thank you very much. The answer is yes on all accounts. That we have seen that increase by the Federal Government. In direct proportion to our State agencies who do, as I testified earlier, virtually the exact same thing that the BLM is doing, we have a third less the staff.

We are perplexed at why we got this influx of all these Federal employees that are coming in; although we will take the taxes that they pay. But the fact is that you don't need to do that. We don't need that size force.

We have, I believe, 750-plus BLM employees, and if you take the same group, we have a third of that in Energy, Minerals and Natural Resources doing the exact same thing. That doesn't make sense. And, quite frankly, at $30,000 average per employee less than what the Federal employment figure is.

So, we can save money. We don't need that kind of a force, and we are prepared to go with it. It is also interesting to note, you know, when you talk about the issue of whether the States are the worst or the Feds make mistakes, and the States make mistakes. The big difference is, and this is what our citizens are hollering for, they have direct access to us. I mean, you know it costs me about $1,300 to come up here. The average citizen in the State of New Mexico can't afford $1,300 to come up here and talk to you.

You are their source and you are their leader and their legislator but they don't have that access. But they will surely get in their car and drive 200 miles to Santa Fe and jump all over us up there in Santa Fe real quick over these issues, and we have to respond to it immediately.

Mr. ALLARD. Very good point. Now, on this issue that was brought out. The States do share in the costs of the operation by the Federal Government, but with your increased efficiencies, it seems to me that you would realize a greater share of the revenue coming off the land because you are doing things less expensively than the Federal Government. It seems to me that in return for that there is also a savings to the Federal taxpayer. Could you elaborate more on that?

Mr. BRADLEY. Mr. Chairman and Mr. Allard, actually if you traded dollar for dollar with the BLM, we would still have an excess revenue of over $100 million. Close to $200 million in extra revenue to the State of New Mexico if we traded you even. We don't have to trade you even because we can be more efficient.

We know what we are doing, we are already in place to make it run. We will lower that cost to the Federal Government. We will lower the cost to the citizens of the State of New Mexico, and we will increase that revenue share.

I am not sure where the States stand, but I do know New Mexico's figures that the $146 million that was reported by BLM to be put back into the State forgets the $150 million that came up here, and then went into your general fund. So there is $150 million excess if we traded you dollar for dollar.

Mr. ALLARD. Well, actually there is a shortfall when you look at the receipts as well as the expenditures from the BLM. I would suspect that in your State, like the State of Colorado and other western States, that people within those States have a lot of pride in their parks and their open space.

There is no reason to think that just by turning it over to the States that they are going to allow for their land to be raped by special interests. Since they are living next door to these lands they have every intention of protecting the environment in those States, would you agree with that?

Mr. BRADLEY. Mr. Chairman and Mr. Allard, absolutely, we have to do it right now because we are right there in the trenches with them. We have to protect them. We can't allow it to go to be traded off, to be raped by business enterprises, et cetera, we are not going to do that. By God, we would never be in office if that were to happen and then so be it. That is what we are there for. To serve at those citizens' pleasure.

Mr. ALLARD. The fact is you may even have some areas that you want to preserve that the Federal Government doesn't recognize and agree with you on.

Mr. BRADLEY. Mr. Chairman and Mr. Allard, exactly, we do have some areas we would like to preserve. We have some archeological sites and maybe even American sites that the Feds aren't even looking at and we would like to keep, small areas.

Mr. ALLARD. Representative Skeen, are there any comments that you would like to pose to those issues that I brought up in my questioning? Time is running out, and I want to give you a chance to shoot at it.

Mr. SKEEN. Mr. Chairman and my colleague, Mr. Allard, I think we have gone over this several times, but one of the things that strikes you right off the bat is the problem that the Federal Government has is when we initiate any laws here in Congress, then we have to spread it across the entire system.

As a consequence of that, in the area of land management, just in the BLM alone, that is why we proliferated with large numbers and more personnel, because right now every time you do anything on a piece of BLM land, you got to send the archeology group out there, the environmental groups, this, that and the other. So they have expanded their staffs because they have taken on more of an oversight and hands-on oversight position than they had had for many years previous to this.

So I think that we are part of the problem here at the national level. I go along with Walter that it is just far more efficient to have—why can't we be treated like every other State in the United States prior to the time that these States west of the 30-inch rainfall belt came into the Union?

Nobody is squawking about the way they handle their lands and the properties that they have a responsibility for. But also we need a land management system that makes some sense, and it doesn't in the case of the western States. We are treated differently than every other State in the United States.

Mr. ALLARD. Mr. Chairman, I see my time has run out and I would also like to compliment you on your leadership on this piece of legislation. I think you are moving us in the right direction. Thank you very much.

Mr. HANSEN. Thank you, I appreciate the gentleman's comments. The gentlelady from Wyoming, Mrs. Cubin.

Mrs. CUBIN. Thank you, Mr. Chairman. I think that all the points that I was most interested in have been made so I won't be-

labor them too much. But I would like to emphasize Representative Skeen's remark. All we want is to be treated like every other State in the union. We want to be on equal footing with the eastern States.

What that means to us is that we have a stable tax base. It means we can predict what we can spend and what we can do in State government. The payment in lieu of taxes that the Federal Government sends to us is never equal to what it would be, it is always below what it would be if property taxes were assessed by the States on that property.

I really think it is a Constitutional issue. I mean, the Constitution certainly says that all States must be brought into the Union on equal footing. Well, I don't see how you can think that equal footing is that the Federal Government owns about half of the lands in all 11 western States.

So, I am very much in favor of this. I appreciate your leadership, both of you, on the issue, look forward to working on this, and I will do what I can to help this pass. I know that in our State, I have the whole State of Wyoming, my district is 98,000 square miles roughly, and I know how the State manages the State lands, and I know how the Federal lands are managed and the efficiencies aren't even comparable. The State can do it better. And I encourage you to continue working along. Thank you, Mr. Chairman.

Mr. HANSEN. Thank you. The gentleman from California, Mr. Radanovich.

Mr. RADANOVICH. Just to state that I am in support of the legislation and grateful for it having been brought forward, and beyond that I have no questions. Thank you.

Mr. HANSEN. Thank you. The gentleman from New York, Mr. Hinchey.

Mr. HINCHEY. Well, thank you very much, Mr. Chairman. And good morning, gentlemen, it is a pleasure to see you. First of all, even though I come from New York, I think I can develop some appreciation for your point of view. I think that if I were in your position, I might have greater sympathy for your position than I do currently.

But I don't know, and I have not been able to find any evidence that shows that States can administer these properties any better or more efficiently or more in the public interest than they are currently being managed by the Federal Government.

Furthermore, the people that I represent in New York regard the Federal lands as lands owned by all the people of the country, not just those people in which the lands may be located. We have a national seashore in New York. We regard that as just that, a national seashore, owned by all the people of the country. The Statue of Liberty is owned by all the people of the country, not just by the people of New York.

We regard these lands as being the province of the Nation. Just because they happen to reside in a particular State, that doesn't change that.

We are also aware of the fact that there are substantial revenues that come from these lands, mineral rights, grazing of private livestock, timber, recreation, and those revenues amount to more than

$1 billion a year. If they were priced at market prices, they probably would bring in twice that amount.

So, it is very difficult for me to rationalize the idea of our Chairman, although I think I can appreciate it on one level, at least. But it is going to be hard to convince people around this country that these Federal lands would be better managed in their interest by people in the States in which they are located. And that they no longer have the right to say anything about it, that somebody will take care of them for them, and they may or may not have access to them, they may or may not get benefits from them. I think that that is going to be a very difficult adjustment to make for a lot of people in the East and in the West as well.

Mr. WILLIAMS. Would the gentleman yield?

Mr. RADANOVICH. Yes.

Mr. WILLIAMS. I appreciate the gentleman yielding. If I could through the gentleman ask a couple of quick questions, ask them both together and let perhaps Lieutenant Governor or Congressman respond. First, can the States dispose of these lands if we give it to them and under what condition can they dispose of it?

Second, at least in Montana, grazing fees on State lands and adjacent Federal lands are very different; the State charges a lot more than the Federal Government does for grazing. Can your State cattle people stand an increase to bring the current Federal grazing fee costs up to whatever your States are charging? Will the cattlemen support that?

Mr. BRADLEY. Let me try the second one, I will let the Congressman do the first one because I don't know what your Federal laws are. We have a moratorium right now, and I would rather let him speak on the sale of the land, so he can address that.

As far as grazing fees, quite frankly, you have in Montana better grazing land than we do in New Mexico, on the whole. And probably should be getting more money in Montana than we should in New Mexico, but now let us go back into New Mexico and, yes, the fact is that in the northeast side of our State, grazing fees should be higher, but they are no higher than they are in the southwest quadrant.

Down in the southwest quadrant we are sitting over there with quite arid land and one cow per section, so we have a problem down there. In most cases where the State negotiates grazing fees, we end up getting more than the Federal Government does, but at the same time you have all these Acts coming in, the Wetlands Acts and the Endangered Species Acts that are affecting the Federal land that don't affect the State land.

Mr. WILLIAMS. How about the matter of disposition, sir? First, would you be willing to take all of the BLM land regardless of its condition?

Mr. BRADLEY. Oh, absolutely.

Mr. WILLIAMS. Second, would you want to dispose of any of it and should you be allowed to do it?

Mr. BRADLEY. Yes, we want it all. Absolutely. We want to manage it. We are not in the business as I understand this legislation, we are not taking this land away from the Federal Government, we are going to manage the land, except in the BLM cases where if we can sell it off, yes, we would sell it off because we have sections

of 10,000-acre ranches where you have BLM land that is right next to it, 5,000 to 10,000 acres that is being leased from BLM, and then you have got another, the same owner has another 5,000 or 10,000 on the other side, so he is sitting down there, why wouldn't we want to sell off that section——

Mr. WILLIAMS. I think you would. Then the last part of it, of course, is OK if you sell it, then who gets the land? Just the people in your State or my State or the people who owned the land in the first instance and gave it to you? Do we spread it to the public through the General Treasury to relieve their tax burden? The literally hundreds of millions of dollars that we spent in just the last decade?

Mr. BRADLEY. The hundreds of millions that was spent here, correct, but what about the hundreds of millions that came out of that State? And this was done as a condition of statehood that was done by territorial——

Mr. WILLIAMS. So there was a double benefit paid for by the public?

Mr. HANSEN. The time of the gentleman from New York has expired. The gentleman from Michigan.

Mr. SKEEN. May I respond to the gentleman from New York, Mr. Chairman? Just quickly. I appreciate his view because he has taken it from a very honest perspective that yes, we all in the East believe that the western States, the public lands belong to all of us. And we would like to enjoy that in the same way.

New York evidently has taken that as a real precept, because they move to New Mexico in droves, the whole west side of Albuquerque is usually retired New Yorkers. Now, we would like to trade you the white sands for your seacoast or whatever you would like. Because we have got a lot of sand but no beach. I am not being facetious but you look at this differently from the eastern part of this country.

This is all ours out West. We own part of that. That is fine. We would like to say the same thing. We own part of New York. And we feel like we would love to come and see the wonderful sights of New York and wonderful attributes that you have, and we would like to have that kind of exchange.

However, when it comes to managing the land, you folks are managing yours. Most of it is private land. Now, because that is the way you came into the Union, were accepted, and all the other States up to the 30-inch rainfall belt line, which runs north and south through the panhandle of Texas to Canada and so forth. You can't raise a crop with less than 30 inches of rainfall. That is why it was never homesteaded; ideal for grazing.

So it is a difference in philosophy of the use of the land itself. And that is what it is all predicated on, is how is it best used, how is it best preserved. Only those people who are working on it, living in it day in and day out, I think really appreciate that. Because there are so many things you don't understand about it. I don't understand everything about New York and vice versa. But I do appreciate your honesty and your viewpoint.

Mr. RADANOVICH. If I may respond?

Mr. HANSEN. I will give you 30 seconds to respond.

Mr. RADANOVICH. Maybe you will get the opportunity to appreciate New York better. I think that in spite of the fact that I live in New York, I appreciate you and the lands that you have and just as much as the people who live on those lands. I appreciate the value that they have for the people of the country. I appreciate the benefits that they provide for the people who live in those areas and who enjoy those benefits at a cut rate, that is fine; but the point is that those lands belong to all the people of this country and what we are proposing here is one of the major steals of the 200-year history of the United States. To just take those lands and turn them over to people who are in those States for whatever purposes they might deem acceptable, and the rest of the country be damned.

Mr. HANSEN. The time for the gentleman has expired. We are not here to debate this issue right now. The gentleman from Michigan, Mr. Kildee, is recognized for five minutes.

Mr. KILDEE. Thank you very much, Mr. Chairman. As you mentioned, I am from Michigan and we have virtually no BLM land there except some subservice rights in Michigan. But the people in Michigan for many, many years have contributed to the BLM lands in other States.

We have, for example, 65,000 miles of roads suitable for vehicular traffic, over 900 developed recreation-sites which the people of Michigan do use but they contributed to them probably more than their use since they are a distance away. They have contributed to the building of 56 visitor centers and over 16,000 family camping units.

What can I tell the people of the ninth congressional district of Michigan as to what they are going to get in return for giving up those lands in which they have invested so much of their money?

Mr. SKEEN. I would say the same thing. You are getting your money's worth from the gas and the oil and the other resources that we provide for you to use those roads, and by the way there are an awful lot of our roads that you all haven't helped us pay for yet.

Mr. KILDEE. Well, we paid for a lot of those roads.

Mr. SKEEN. No, they still have dirt on them.

Mr. KILDEE. Do you want me to pay more?

Mr. SKEEN. No, sir. I just want you to come send a payment.

Mr. KILDEE. Well, I look upon certain things in which we have some national patrimony. That is owned by all the people of the country. And not only owned by them at this time, but they have invested in those lands, a great deal of investment. And for me to go back home and say that I gave away your lands, the national patrimony, and by the way you have invested a lot of money in those lands, part of your income tax which we tax you on and I did vote for the increased income tax a year ago—I am going to be run out of town.

They have invested there and they look upon that as their land, as part of the national patrimony, not just for Oregonians or Californians or Nevadians or Arizonians, it is part of the United States' land. The United States is a country and it does have certain national lands owned by all the people. Just tell me how I can go back—will you come back with me and tell them——

Mr. SKEEN. I would be very happy to.

Mr. KILDEE. They would probably run us both out of town.

Mr. SKEEN. As a matter of fact, I would be happy if you would exchange. You come and tell my folks down there how you feel about owning, and they will say fine, what do we own in your State? Because when the Federal Government owns 60 to 70 percent of your land service, and your tax base is not there, we will take care of our roads, we will take care of our county government operations and city government operations. But give us back our tax base. Just as you have yours.

Mr. KILDEE. I have voted from time to time in this Committee, you know, transfer of lands. I think we can transfer certain lands where a good cause is presented. I have supported a lot of those bills. But to take the whole patrimony and give that away, to my mind is draconian, it is revolutionary.

Mr. SKEEN. Precisely.

Mr. KILDEE. Revolutionary.

Mr. ALLARD. Would the gentleman yield?

Mr. KILDEE. I would be happy to yield.

Mr. ALLARD. You know, does the gentleman understand that State lands have public access so that if your constituents would visit New Mexico or Colorado, they have access to that land. So I am trying to understand why there is a concern about turning Federal land over to the State because if they go there to recreate in a western State, those opportunities won't be taken away from them.

Mr. KILDEE. I am not sure with the resources of the States though that those over 17,000 camping units will be maintained.

Mr. BRADLEY. Mr. Chairman, Mr. Kildee, the BLM land is different from the wilderness areas. Now the BLM land, they are separate issues and I am also having trouble following. We are going to manage the land and only in certain circumstances with the authority that you would give us would we be able to sell it. But we would be managing that land down there and I would just ask you for just a moment to think about your citizens in Michigan and how they might feel if their teenaged son was lost out in the wilderness area and a State rescue helicopter from Michigan found him but was not able to land because an enforcement agency from the BLM said you can't land there.

Mr. KILDEE. I think those are the things we could address. But if I read the bill, maybe I read it wrong, it says the Secretary of Interior shall offer to transfer all right title and interest to the United States, it doesn't just say management. And to all lands interest and lands administered by the Bureau of Land Management. It gives all right title interest to the United States, not just the management, it would be owned by the individual States.

Mr. WILLIAMS. Would the gentleman yield?

Mr. KILDEE. I would be happy to yield.

Mr. WILLIAMS. There is an important point here. And sometimes I find this bill or something like it to be a close call. But there is an important point here, and that is this. The most visited, open, accessible land in America is Federal land. Of all the public land in America, the most closed and least accessible is that managed and owned by the States.

Mr. COOLEY. Will the gentleman yield?
Mr. WILLIAMS. Sure.
Mr. COOLEY. That is absolutely not true.
Mr. WILLIAMS. Yes, it is.
Mr. COOLEY. It is not true.
Mr. HANSEN. Would the gentlemen suspend? The gentleman from Michigan, just lost your time. The time went out on you. The gentleman from California, Mr. Pombo is recognized for five minutes.

Mr. POMBO. This is going to be fun in markup. To start off, the gentleman from New York brings up the national seashore. We get into this debate East versus West quite frequently because the easterners complain that the western lands don't bring enough money in for their value; that it costs them money, and they always try to take the high fiscal conservative ground that we need to get more money out of these western lands. And then when the proposal comes forward that maybe the best to do is to give those lands to the States, or to sell them off to private individuals so it is no longer a drain on the Federal budget, then that is not good either because you want to keep the land but you don't want it to cost anything either.

I can tell you from our experience with the Federal Government, you will never be able to bring in enough money to pay for the costs of the Federal Government off those lands, because the more money you bring in, the more that BLM or Forest Service or whichever the Federal agency is, will spend. And, you know, Mr. Skeen talked about how BLM has increased its scope, its level of involvement in lands in the West over several years. Well, a big part of that has been because more money has come in and we continue to pass more laws that tell them that they have to do more things and they will continue to spend more money.

So it is a dog chasing its tail, you are never going to catch it. And that is what is happening with the West. I would just as soon sell all this land and turn it into private land. That is my opinion. I really do believe in private property and we ought to privatize this land. And if that money from selling the land goes into the Federal Treasury, that is great. I think that is fine. But I think that we really need to do something with this land because we are going backwards fast with all of this and I think that this proposal that Mr. Hansen has introduced is one of the ways that we can address the problem with Federal lands throughout the West.

I think it is something that we really do need to look at. You know, we look at Federal lands as they have in New York, that don't bring in money to the Federal Treasury. They may bring in money to the State of New York because of increased tourism. They may bring in money to the businesses in New York because of increased tourism. But they don't bring in money to the Federal Government. We subsidize all of the people of New York to go to the beach. I have never been to the beach in New York but I subsidized all of the people in New York to go to the beach. And I don't think that is fair. I shouldn't have to subsidize your constituents going to the beach. I should not have to subsidize all of the hotels and restaurants and people who rent roller blades and everything else along the beach in New York with my Federal tax dollars. But we

do it, and there is no proposal brought up before Congress to do away with that subsidy. Because that is one of the untouchables, that is recreation. We don't want to touch that. But we are subsidizing the people of New York going to the beach.

Yet the people from New York get all excited about grazing fees or about timber sales because that is somehow a subsidy to the people of the West. Well, everything we do is subsidizing somebody. Everything we do is putting money somewhere. And you know, you probably wouldn't feel too good about it if we brought up a bill that would shut down the national seashore. Because it is subsidizing all of the businesses along that area. And it is bringing in money to your State.

And that is how we feel. I know that if you were in our position, you would come at this differently and what I am trying to do is explain to you that you get the same kind of subsidy. It may not be for timber and grazing and everything else, but you are subsidizing your State and the people of New York with Federal dollars.

Mr. HINCHEY. Would the gentleman yield?

Mr. POMBO. Yes.

Mr. HINCHEY. Well, I think you have it just backwards. We are not advocating shutting down the national seashore and it doesn't benefit my district. My district is far away from there, far upstate.

Mr. POMBO. You don't have any people that go there?

Mr. HINCHEY. I doubt it. I doubt it seriously.

Mr. POMBO. But you don't have any people—you are claiming my time. I will yield back to you.

Mr. HINCHEY. The fact of the matter is we are not advocating shutting down the national seashore——

Mr. HANSEN. The gentleman from California controls the time. The gentleman from New York suspend. Go ahead.

Mr. POMBO. You have no people that go to the national seashore which is in your State but you are concerned about people that may come to California or New Mexico which is 3,000 miles away. And that doesn't make any sense. And you can finish your statement.

Mr. HINCHEY. Well, I think you have it just reversed. We are not advocating shutting down the national seashore——

Mr. POMBO. No, you are advocating——

Mr. HINCHEY. We are not advocating. We are not advocating turning it over to the State of New York or anyone else. We are simply being consistent. We are not advocating that the Federal lands in the West be turned over to the State or that they be privatized any more than we want those Federal lands in New York to be privatized.

Mr. POMBO. You are claiming my time.

Mr. HINCHEY. We want to be consistent.

Mr. HANSEN. Which you have none of.

Mr. POMBO. Well, the consistency of it is, is that you are trying to shut down the Federal lands in the West with wilderness areas of 6 million acres in Utah.

Mr. HINCHEY. Well, if the gentleman would yield.

Mr. POMBO. I don't have any time left. I am just finishing.

Mr. HINCHEY. You are misleading the facts. We are not advocating closing them down at all, we are advocating keeping them open.

Mr. HANSEN. The time for the gentleman from California has expired.

Mr. POMBO. You just don't want to have economic use out of it, but you want to maintain your——

Mr. HINCHEY. Oh, yes, we want to have great economic use of it.

Mr. HANSEN. All right, the time for the gentleman has expired. The gentlemen from New York and California will both suspend. And thank you for your excellent comments. It is my turn. Let me just say that on this particular piece of legislation, as we pointed out at the start, there has been a lot of frustration. Our western governors, many of our western legislative bodies have been asking for legislation of this kind.

I have found it very interesting to listen to the folks who have commented and the great comments we have had from our colleague, Joe Skeen, and the Lieutenant Governor Walter Bradley. I appreciate those very fine comments.

Let me point out that for some reason we just turned the clock forward. Now, let us turn the clock back. The gentleman from New York, the gentleman from Minnesota, the gentlemen from other areas ought to go back and read the history of their own areas.

If we go back to the 13 colonies, all of that would have been public land at one time. These folks over here from the West didn't really have a say in it or how they got it, but those people at that time managed it. In Oklahoma, they got their land, they lined up a bunch of people, they shot off a gun and the guy with the fastest horse got the best ranch.

Now, we have a little different situation. But you folks, if you go back a few years, we didn't get a say in how all that public land became private. We didn't get any chance to say anything about it. I think the people in the West have that frustration now.

We are also very cognizant of our legislative bodies. Most of us came out of legislative bodies. I was Speaker of the Utah House before I came here and, frankly, I was very frustrated with the way the Federal Government pushed us around and told us what to do. And so when you get back here you say I have a lot of confidence in the Utah State Legislature or New Mexico or California or wherever it may be.

I think those are good citizens, they are working hard to do what is right and why people say they can't do it is beyond my ability to understand. I don't understand why people would say that.

We find ourselves now in a situation where we are not asking for the national parks. We are not asking for the Forest Service. We are not asking for military. We are not asking for Indian reservations. We are asking for this other property.

I would somewhat respectfully disagree with my friend from California and I would hope that most of it wouldn't be privatized. But I think you put our head in the sand to think that some of it shouldn't be changed around. There should be some ability to do that. And legislative bodies should have the option to do that particular thing.

Right now to get something through BLM and we have carefully looked through it, regardless of what they say under oath, how fast they move land and transfers and sales, it just doesn't happen. Nor does it happen with the Forest Service; another great frustration of our western counties and our western States.

So we are putting this bill out to possibly look at a piece of the ground in America that most people in the West feel they should have an option to have some control over their own destiny. I know this is a very controversial issue and contrary to what was brought up by some of these people saying they would sell it all off; go back and again check the history.

In the State of Utah when it was given what they did receive, they sold a lot to start with and the last 20 years has been minuscule of what they have sold off. And they have managed the ground and done it very well. In the State of Utah if you are Speaker of the House you are also Chairman of the Executive Appropriation Committee. And there we found after exhaustive studies, when you take a piece of public ground and this is the State and this is the Federal and all there is is an invisible line, we were doing it for 25 percent of what the Federal Government did it for.

I think we have, and we thought we were doing it better, and I would maintain to this day, I would argue with anybody that Ted Stewart, the Director of Natural Resources, has done an extremely fine job out in Utah and let me say the people of BLM know we have had a good relationship with him, they have been very fine individuals. We do feel they are a little bloated, however, at this particular time.

All right, this panel, we are through with you. And thank you very much for your excellent comments. We will now ask the next panel. And we will start out with the former Director of the BLM, Cy Jamison, if you would come forward. We will have Bonnie Cohen, Assistant Secretary of Policy Management and Budget, Department of the Interior, John D. Leshy, Solicitor, U.S. Department of the Interior, Maitland Sharpe, Assistant Director, Resource Assessment and Planning, Bureau of Land Management.

Mr. HANSEN. I understand that Bonnie Cohen, you are the one that is going to testify for the Department of the Interior and you are assisted by Mr. Leshy and Mr. Sharpe, is that right?

Mrs. COHEN. Yes.

Mr. WILLIAMS. Mr. Chairman?

Mr. HANSEN. The gentleman from Montana.

Mr. WILLIAMS. If you would be kind enough, I would just like to greet on behalf of the Committee, a fellow Montanan and my old pal, Cy Jamison, who not only was Director of BLM and is a good friend of everyone here as well as the State of Montana, but very importantly worked for this Committee. Welcome back, Cy.

Mr. HANSEN. Thank you, Pat. Also for the benefit of the Committee, these two were gentlemen and faced each other in a political struggle in 1994, if I may comment.

Mr. VENTO. It is my understanding that Mr. Jamison is not testifying for the Department today, is that correct?

Mr. HANSEN. Yes, and I appreciate the gentleman for bringing that up. The gentleman no longer has anything to do with the De-

partment but he is the past Director and served for four years under the Bush Administration, is that correct?

Mr. JAMISON. Yes, sir.

Mr. HANSEN. We have asked Mr. Jamison to speak with this panel because they all have BLM roots, so to speak, and he probably has longer ones than most of them. Anyway, we would ask you to go first, Mr. Jamison. Now, first before we start, this is going to be a long day, I can see this one coming up. How much time does everybody need? Five minutes for Mr. Jamison. How much do you need?

Mrs. COHEN. Eight.

Mr. HANSEN. Eight, OK, did you get that, Dawn? All right, you know the rules around here. It is a green light, yellow light, red light, just like you pull up to in your car and you know what to do. All right, Cy, we will turn the time to you for five minutes.

STATEMENT OF CY JAMISON, FORMER DIRECTOR, BUREAU OF LAND MANAGEMENT

Mr. JAMISON. Thank you, Mr. Chairman and other members of the Committee. It is great to be back here.

Mr. Chairman, I want to thank you and all the members, as I mentioned before, for giving me this opportunity to comment on H.R. 2032.

As a former National Director of the Bureau of Land Management, I have a special place in my heart for the BLM and the people who perform the day-to-day tasks under the various laws passed by Congress and policies of the Administration.

However, that cannot let that cloud one's judgment of the overall situation. Times have changed, so land management agencies must change with them to be responsive to the American people.

This bill impacts mostly the western States where the vast holdings of the BLM are located. The BLM manages nearly one-eighth of the surface of the United States. The mineral estate is even larger than that.

With the western States being some of the newer members of our great Union, it has taken time for those governments to mature and gain expertise. Now, as we approach the next century, most of these States have the management and technical expertise to do just as well and maybe in some cases a much better job of managing natural resources than the Federal Government.

The bottom line issue is control. Many want all control to remain in Washington, DC. I personally think the best government is the one that is closest to the people. Mr. Chairman, your bill is a step in that direction.

Your bill would provide the opportunity for the States to take over the management of BLM lands in their States. That alone is a laudable goal. But Mr. Chairman, let me highlight a few of my concerns that you may wish to address as the bill moves through the legislative process.

First, I think the time period of ten years after application is made before the land can transfer to the State is much too long. Just do it. Two years to phase out should be adequate and if it is not, let the Secretary and the State mutually agree to something longer, not to exceed ten years.

Second, an option to the all-or-nothing provision should be included as it relates to each State. There are situations created by past legislation such as the railroad land grants that left a checkerboard system of ownership. Maybe a State would want those lands or vice versa and would prefer to leave other areas in Federal ownership.

I am not in favor of allowing the States to cherry-pick but some middle ground I think is necessary.

Third, there are have and have not States. States like New Mexico and Wyoming would have a tremendous incentive to take over the lands because of the mineral revenues coming in from the oil, gas, coal and other minerals. Other States receive very little. That is another reason why I think there need to be alternatives to the all-or-nothing provision.

Fourth, the Federal lands are subject to a variety of different statutory programs to divide revenue from the land and distribute some of the revenues directly to county governments or earmark revenues for special local uses such as school districts.

Local communities depend very heavily on these revenues and it is critical that this issue be addressed. I believe the bill should be amended to include some type of revenue distribution program for schools and county governments.

Fifth, military land withdrawals are not, in my opinion, giving enough protection in H.R. 2032. As a staffer on this Committee some years ago, I worked on military withdrawals. If memory serves me correctly, some of those withdrawals were for 20 years and some for 15. Given the ten-year transfer time allocated in the bill, some of these withdrawals could expire. Maybe withdrawals could be extended to protect them for some given time period under State control.

Sixth, a provision should be included that keeps the lands open to the citizenry for their use and enjoyment. In short, a covenant needs to be included to ensure the availability to the general public of these lands.

Last, Mr. Chairman, I learned a great many things about public land management while BLM Director, the most important lesson was that one must never forget who one works for. I think that the land management agencies have forgotten that critical point and with State governments much closer to those they serve, hopefully that will not happen to them.

Just bringing this issue up to the forefront makes for a better understanding of public land management. Go for it. Thank you, Mr. Chairman.

[The prepared statement of Mr. Jamison can be found at the end of the hearing.]

Mr. HANSEN. Thank you. Bonnie Cohen, we will turn to you for eight minutes.

STATEMENT OF BONNIE COHEN, ASSISTANT SECRETARY OF POLICY MANAGEMENT AND BUDGET, DEPARTMENT OF THE INTERIOR

Mrs. COHEN. Thank you. With your permission, I will submit the statement for the record and summarize.

Mr. HANSEN. Without objection.

Ms. COHEN. Thank you. I am here today to present the view of the Department of the Interior on H.R. 2032, legislation requiring the Secretary of the Interior to offer to transfer the lands administered by the Bureau of Land Management to the States in which these lands are located.

This legislation would affect the BLM's operations and responsibilities and, most important, the relationship of all Americans to their public lands.

Let me state clearly that the Department strongly opposes this bill. Any serious discussion of this must begin with an understanding of what is at stake.

The 270 million acres of public lands managed by the BLM for multiple uses are widely diverse and feature extraordinary places. Arizona's San Pedro National Conservation Area, Utah's Slickrock Bike Trail, Nevada's Red Rock Canyon National Conservation Area, the prehistoric Anasasi Complex that extends across portions of Utah, Arizona and Colorado, sites that receive 65 million visits a year.

The Department's opposition to H.R. 2032 should not be interpreted as criticism of the States' ability to manage lands or beliefs that the States should not play a significant role in the stewardship of these lands.

Our experience suggests that public lands are managed most effectively through cooperation with States and local communities and the Department is committed to strengthening this partnership.

The BLM in recent years has entered into numerous cooperative partnerships with State and local governments. In Utah, for example, as you know the BLM has signed formal agreements with State and county governments for law enforcement, wildfire control, road maintenance and land use planning. Nevada provides another example. But H.R. 2032 would remove this cooperative relationship, where State and private interests are now reconciled through the BLM's resource management planning process and *substitute* the decisionmaking processes of individual States.

H.R. 2032 is also unfair to the American taxpayer as it would give revenues and resources owned by all Americans to a relatively small number of States.

H.R. 2032 packs a triple whammy for the American taxpayer. It would deprive taxpayers of current revenues, more than one billion dollars a year, give away assets that generate money over the long term, and ensure that taxpayers will continue to pay for maintaining public lands in States that choose not to take less desirable or less lucrative lands.

It is worth recalling the testimony of former Interior Secretary Oscar Chapman during the Eisenhower Administration in a similar debate: "If this Administration is intent upon following a giveaway policy, the people are at least entitled to know what and how much is being given away, billions of tons of oil, coals, trillions of cubic feet of natural gas, not to mention timber, grass, sites for power plants, irrigation and other water potentials, precious metals and other minerals".

This legislation would be a giveaway of Federal assets that include one-third of the Nation's coal reserves, 12.5 trillion cubic feet

of natural gas, 1.4 billion barrels of oil, 170 million acres of rangelands and 48 million acres of forests.

Today these assets are managed by the BLM to generate revenues for all Americans. If H.R. 2032 were enacted, American taxpayers could lose the receipts of more than $1.2 billion each year that are generated from these public lands.

This is a curious time to be doing this. This would increase the deficit. It is argued that this would produce budget savings. We would argue it would not. The savings promised in H.R. 2032 are predicated on a wholesale transfer of all of the public lands and a cessation of associated Federal expenditures. That is unlikely to happen.

Only those States, New Mexico that was here today, Wyoming, with large underlying mineral resources within their borders are likely to want to take ownership of them. A relative handful of States would capture most of the income producing mineral resources. The most likely scenario is that the Federal Government would be left with management responsibilities for the lands with a negative cash flow.

Further, H.R. 2032 as has been discussed is not about increasing public access to public lands. H.R. 2032 could limit access by hunters, fishermen, campers, hikers, and other recreational users to vast areas of the West and forever change American's view of the open space.

Last year the public lands hosted 654 million recreation visits for hunting, camping, fishing, hiking and other activities. More than 29,000 conservation, recreation and wilderness sites are on lands managed by BLM and are now open to the public. This would vary if these lands were transferred by State laws.

Further, nothing in this legislation would prevent States with budget crises from selling the public lands and their resources to the highest bidder, removing them forever from multiple use and public enjoyment. The likely winners of such an auction would be corporations whose primary obligations would be to stockholders and who for either development or liability reasons, would lock up the land, only allowing hunting and fishing by invitation, if at all.

Many long-time westerners would be surprised by the changes in their lives that would result from this huge land transfer envisioned by this bill.

Enactment of H.R. 2032 could also lead to the loss of essential services provided on public lands by the Federal Government. For example, firefighting which is previously discussed. The Federal Government alone has the ability to move firefighting personnel and resources quickly from State to State when necessary. There would be no savings if the States took these lands and the Federal Government were still required to provide firefighting services.

Western counties also depend heavily on the payments in lieu of taxes they receive from the BLM to compensate for property taxes they cannot collect. These payments are over $100 million a year. Yet nothing in H.R. 2032 would require States which elect to take ownership of the public lands to maintain this level of support to county governments.

The Department has additional concerns about H.R. 2032, some of which Mr. Jamison touched on, withdrawals of Federal lands for

military purposes, liability for hazardous waste sites and cleanups, Indian trust responsibilities and will submit additional information.

H.R. 2032 we feel is not a noble experiment. If the problems I have outlined are real even in part, and the benefits the supporters are wrong even in one State, the loss of public lands is an irretrievable loss to future generations.

Former Governor Cecil Anderson of Idaho captured the essence of what is at stake here when he wrote: "Which policy would keep the West most open and free: continued Federal management with liberal public access and public use of the public lands? Or transfer of big chunks of public lands to the States, many of which would sell it off to private parties and large corporations who would post it off limits to the public?"

The public lands are worth more to Americans than a state-by-state calculation of dollars won and dollars lost. They are an important part of America's sense of itself to be enjoyed and preserved for future generations.

Thank you for the opportunity to present our view.

[The prepared statement of Ms. Cohen can be found at the end of the hearing.]

Mr. DOOLITTLE. OK, questions of the members. Mr. Cooley is recognized.

Mr. COOLEY. Thank you, Mr. Chairman. Ms. Cohen, you are Assistant Secretary of Policy Management and Budget, correct?

Ms. COHEN. Yes.

Mr. COOLEY. So you put out a publication called Public Reward for Public Lands, this piece of document right here, which is directly against H.R. 2032, talking about what a great job you have done. What did this cost us? What did this cost the American public for this piece of document? Are you in charge of budget?

Ms. COHEN. I will get that number for you.

Mr. COOLEY. You don't have it? You don't know what this cost?

Ms. COHEN. Not right away, no.

Mr. COOLEY. OK. You said that public lands were of economic benefit to America. We have a report here by your office and the latest one we could receive was 1993, that it cost the American public $112 million to subsidize your Department. So it is obvious you are not doing a good job of management if it is costing us money to subsidize your Department.

So that statement you made previously that it was to the benefit of the Treasury is really not true, according to your 1993 records.

You made another statement in here, you said you are not criticizing the States' ability to manage the lands, but yet you say the States will sell off all these lands. Does the Department have any proof of this allegation, that they are going to sell these lands off? And if you do, what research was done or conducted to come to this conclusion?

Ms. COHEN. Well, if I can take the question in two parts. The first, I was talking about the loss to the Treasury of the over a billion dollars in revenue that comes from——

Mr. COOLEY. But you have a loss. I don't care how much comes in, you still have a loss. We pay out more than comes in.

Ms. COHEN. I think that in the budget process, the decisions made by Congress as to how much money they want to allocate in this case to the BLM in this time of severely limited budgets, if this land were given to the States and the revenue went to the States, the United States government would lose one billion dollars in revenue that it now receives. That was the point I was trying to make.

Mr. COOLEY. Only in the United States can we talk about losing money when it costs you money. Who cares if we lose a billion dollars in the revenue if it costs us $112 million more than we get in? I mean I don't understand this. I mean if you lose money, you lose money. So if we save the American public, if we get rid of BLM and we save the American public $112 million it is costing us to run your operation, we save $112 million.

Not only do we do that, the revenue earned or the taxes earned off utilization of the natural resources within these States will increase to the Treasury and won't cost us any money to run it. So, I think your economic logic is off base here.

Mr. COHEN. Can I respond?

Mr. COOLEY. Certainly.

Ms. COHEN. Two points. One is that we think that the public benefits go beyond the dollar calculation of profits and losses. But even if you stuck with the amount of revenue in and the cost to us, the calculation you are talking about assumes that every State takes advantage of this offer. And there are no expenses left associated with BLM. We have heard from New Mexico and we have heard from Wyoming, but we have also heard from Montana, where the Congressman from Montana indicates that his State would not be willing. That means that we would continue to have expenses so that you would not achieve the kinds of savings you are talking about.

Mr. COOLEY. Well, with due respect to the gentleman from Montana, I don't know if he speaks for the people of Montana, you would have to find that out. I don't know. But you brought up the economic part of it and I just wanted to pursue that to find out what you felt about that.

We also have in our hands here a memo that came out from your Bureau's Department received on July 31, which we think, at least in Congress, this violates the Hatch Act. Because you are using our money to lobby against legislation. You are supposed to be professional administrators, nonpolitical, and that obviously is not true.

Now, can you justify this memo? You know very well what it says in there to your employees; that we are going to shut down the Bureau of Land Management and they should do everything possible to make sure that this is not successful. You are going around telling everybody in the country that we are going to discontinue anybody on public lands, that we are going to sell it off to big corporations, individuals won't be able to use it, et cetera, et cetera. But yet you have no proof of this, you only have the allegations. And the allegations are primarily predicated on the fact that the Bureau of Land Management and your employees want to stay on at the Bureau of Land Management.

We think you are doing a terrible job in the West. It is proven that you are doing a terrible job. You are locking up the land in

the West where nobody can use it, not even the people who live there. And it happens time after time.

You are a bureaucracy that has gotten out of hand. And you make statements that you have no support to back them up, none whatsoever. Now, we know that you have a lot of supporters from the East and we have this great idea of all these great lands that are an asset to the American people.

Before 1930, these lands were used by everybody until you were formed. Since that time there has been less use continually on the use of these lands, especially in the last ten years. My time is up.

Mr. DOOLITTLE. Mr. Vento is recognized.

Mr. VENTO. Yes, thank you, Mr. Chairman and Secretary Cohen. Were you asked to have an opinion with regard to this bill? Were you invited to testify here today?

Ms. COHEN. Yes.

Mr. VENTO. Do you communicate within the Department and subscribe and obtain views from the professionals that are going to be impacted by these particular decisions and legislation, legislation introduced in both the Senate and the House to dispose of and to convey and transfer BLM lands to all of the 11 western States? Do you actually communicate with people in the course of the business that you do?

Ms. COHEN. Yes. We handle this bill the way we handle all bills, circulated it for input from the experts in the Department.

Mr. VENTO. Is that the content of the memo that was raised at this hearing today? In the context it is? You don't know anything about the memo, and we don't know anything about the memo either. You are referring to the fact that this legislation before us projects a ten-year lead time. If this projected a shorter lead time, what would be the impact in the deficit? Do you know?

Ms. COHEN. It would be in a more immediate impact. The sooner this is done, the sooner the Federal Government loses the revenues.

Mr. VENTO. Of course, the point is that the one of the reasons that the Federal Government has a loss of revenue or an annual loss of revenue under the legislation is because they are transferring substantial receipts to the States, is that correct? In fact, over some $600 million of revenue that is raised from these lands is transferred to the States, is that correct?

Ms. COHEN. Yes.

Mr. VENTO. In other words, the BLM is actually a money maker, isn't it? The lands that we have actually make money but the fact is that we transfer the moneys back to the States, some $625 million in 1994. You have those numbers in the document that you prepared.

Ms. COHEN. Yes.

Mr. VENTO. Are these documents unusual in terms of being prepared? This document that was referred, is this a usual report that has been prepared? Mr. Jamison, did you prepare similar reports to this when you were the Director of the BLM or did you have similar reports to this that talk about the specifics of what the benefits are and what the assets and so forth are with regards to BLM lands within individual States?

Mr. JAMISON. Congressman, I don't know what is in that. I haven't seen it.

Mr. VENTO. I know that. Did you have similar reports to this?

Mr. JAMISON. I used to do the annual statistics but I don't know what the front page is, what does it say?

Mr. VENTO. Yes, but I mean you had annual reports dealing with each State in terms of revenues conveyed and raised, is that correct?

Mr. JAMISON. You are asking me something that I can't comment on.

Mr. VENTO. OK.

STATEMENT OF JOHN LESHY, SOLICITOR, DEPARTMENT OF INTERIOR

Mr. LESHY. Mr. Chairman, Mr. Vento, I could briefly expand on that. The BLM has done a number of reports in the past. It does an annual report. It does the annual public land statistics. I think when Director Burford was Director it did a long history book of the BLM and there have been various brochures and pamphlets describing the factual setting in the public lands and the revenues raised from them in the past. Nothing exactly like this, but this is a very objective review—basically a balance sheet of the accounting of these assets and the money that is raised from them. It is a report to the American taxpayers that own these lands.

Mr. VENTO. Well, I find it curious that some people feel threatened by information with regards to this. For instance, from Alaska we collect about $8 million from the BLM lands and we spend $80 million. I found it interesting that from Arizona we collect $6 million and expend $55 million. From California we collect $57 million and expend $88 million. From Colorado we collect $79 million and expend something like $200, $250, $270 million. I mean it goes on and on. Idaho is obviously a big loser as well, surprisingly we collect $10 million and expend something in the range of $91 million in terms of dollars expended.

Now, of course, they talked about the efficiency of BLM. Now very often we have collaborative and cooperative agreements, so you have a pretty good judgment, Mr. Leshy, Mr. Maitland is here who is a professional within the Department, about the relative efficiency of other workers and other responsibilities. Are the BLM workers that much less efficient that the States could take over? For instance, in the State of Idaho or Oregon, which, incidentally, is a big loser, are they that more efficient that they could take over and do all these responsibilities and do it for that much less? We are talking tens of millions of dollars difference.

Mr. SHARPE. Mr. Vento, I can tell you from my experience that there are few employees, public or private anywhere, who are harder working or more efficient, produce more under adverse circumstances with fewer resources than do the employees of the Bureau of Land Management.

Now, taking nothing away from the efficiency——

Mr. VENTO. When we briefly looked at the California desert, we recently found one rancher with a million acres of responsibilities, we added a few there, but we still don't have enough. I would just suggest that members pause a minute and look at what they are

suggesting in terms of cost and activities with regards to these particular functions and the fact that this would be a tremendous cost. It is a deficit budget buster. We talked about the investments and other factors the States have in these matters and I think that this legislation is not the solution. And I might say that there are no restrictions in here with regards to classifications of other lands.

We talked a little bit about wilderness, silent on ACEC's, silent on critical rivers, silent on the management of a lot of other resources here, wild and scenic rivers and the whole works. Of course, someone says you cannot dispose of these lands. This legislation doesn't say you can't dispose it, it doesn't even talk about public purpose, doesn't even talk about sharing the revenues that are proceeding from the lands, even today which are owned, I might say, by the Federal Government or the people of the country, not an individual State.

This is simply a raid; basically the effect of this would be a corporate raid on the public resources of this country.

Mr. DOOLITTLE. Mrs. Chenoweth is recognized.

Mrs. CHENOWETH. Thank you, Mr. Chairman. I think Mr. Ensign was before me. He indicates I should go ahead.

Mr. DOOLITTLE. Actually you are correct. I misspoke before but if he is willing to yield at this time, you may go ahead and we will pick him up at the next opportunity.

Mrs. CHENOWETH. Thank you, Mr. Chairman, Mr. Ensign. Mrs. Cohen, I think as you can see we are all disturbed about this report that came out, this lobbying report. Let me ask you, did the BLM conduct any inner agency oversight to test whether or not this activity violates the Anti-Lobbying Act?

Mr. LESHY. Mr. Chairman, Mrs. Chenoweth, I would be happy to answer that. I am in the Solicitor's Office, of course, and we are in charge of making sure the law is complied with. We feel this report fully complies with the law.

There are actually two anti-lobbying restrictions that apply to the Department. One is a criminal statute and the other is an Appropriation Act rider. Both statutes have essentially been interpreted by Administrations for the last many years, including the most authoritative opinion from the Bush Administration's Justice Department, to apply only to substantial grass roots campaigns that exhort people to contact their Members of Congress on legislation.

We have looked at that report. That report is essentially a purely objective report on the facts and values of the BLM lands. As I mentioned to Congressman Vento, it is essentially a balance sheet of assets and expenditures. There is nothing in it about this legislation. There is nothing in it that exhorts anybody to do anything. It is simply a factual recitation of the public lands. And we have no doubt that it fully complies with the law.

Mrs. CHENOWETH. Mr. Leshy, how much did this report cost?

Mr. LESHY. I can't answer that. We can provide that information——

Mrs. CHENOWETH. Could you get that information to the Committee and to me personally within 24 hours?

Mr. LESHY. We will try our best.

Mrs. CHENOWETH. What about the memo that came out July 6 of 1995 to all State Directors' attention, Internal Affairs Chief, from the Bureau of Land Management, initials D.M. regarding the Livestock Grazing Act? Now, you are an attorney, you cannot sit here and tell me that this memo is not lobbying. Mr. Leshy, the day that you tell me that your paid employees are the same thing as grass roots organization, I am sorry, but boy, we have reached the end of the line. And you do not have a concept of what a free citizenry government is. It is not paid BLM employees. Let me put that on the record for sure.

And the fact is that I would like, within 24 hours, to see your written legal opinion in here that you did not violate the Bush Executive Order, nor did you violate the Hatch Act, because I think you are way off base. And I am very, very sorry and sad to see that we have come to this state of affairs. You may believe it. You may be defending your position. But, what would you do to a livestock grazer out there who had a cow graze out of bounds?

I am telling you, what your agency is doing in my State under enforcing laws and taking onto yourself enforcement of laws, is absolutely abhorrent. I mean, a violation of trespass of cows means your agency without the benefit of a sheriff, impounding cattle against State law. And you think we should do nothing about this kind of lobbying activity? When are laws going to affect you, the members of the agencies, as they do the regular citizens?

Congress is going to have to deal with this and you need to expect it. Thank you, Mr. Chairman.

Mr. LESHY. May I respond very briefly?

Mr. DOOLITTLE. The gentlewoman controls the time.

Mrs. CHENOWETH. I yield my time back to the Chairman.

Mr. DOOLITTLE. Well, in that event, the time belongs to the gentleman from Montana, Mr. Williams.

Mr. WILLIAMS. Thank you. I think a dispassionate look at the budget effects of this turnover of Federal land to the States is in order and I really think that Assistant Secretary Cohen's testimony ought to be closely reviewed by all the members, particularly those members most concerned with budget deficits.

I would say to my friend, Cy Jamison, the reason this bills calls for ten years and not before then is because otherwise it violates the budget, it violates what we here have come to know as pay go, you have to pay as you go. If this bill passed now, it would wreck havoc on the Federal budget—you couldn't go to a balanced budget. This bill, if it became law, would be the most expensive loss to the Treasury and the American people of any single government action, second only to the military buildup since World War II.

In mineral receipts alone, this bill will cost the taxpayers $3 trillion. It is the greatest budget buster, deficit-causing action that this country will ever take in one stroke. And we ought to be cautious about that.

Now, is the public going to gain these resources? Yes, the public in specific States. But that is not what a Federal budget is about. Balancing a Federal budget is to hold your assets, hold your liquidity, and try to come in balance at the end of the year. This is a complete and total renege and violation of that.

Now, we could change the budget rules dramatically around here and not count it. But that is what we would have to do, particularly if this came in effect within the next ten years while pay go is here.

Let me say a quick word about this matter in Montana, whether or not Montana wants to pick up $13 to $15 million in additional costs. I, no more than anybody here, can speak for every single one of my constituents, but I can tell you that the State of Montana has 20 thousand employees, State government.

BLM and Forest Service together have about five thousand. Now, this bill just deals with BLM. There is a lot of talk about turning all the Federal land back. That is a 25 percent increase in the number of employees. Let us say they just cut it in half. That is still an increase that the State of Montana cannot, will not afford and does not want to assume.

So, you see, the loss comes on both ends. The Federal taxpayers take an absolute bath with the loss of these resources and the States are required to pick up an enormous share of the burden which I don't think any of them out there are prepared to do.

As Ms. Cohen is urging us to do, as we look at the budget ramifications, I think we ought to keep this balanced budget notion in mind and we all ought to move to what my Republican friends and I believe is a more conservative outlook toward the budget. And this bill violates that in spades. I yield back the balance of my time.

Mrs. CUBIN. Thank you. Mr. Ensign.

Mr. ENSIGN. Thank you, Madam Chairman. I have a couple of questions first of all for Mr. Jamison. In your opinion, and we are talking about here and obviously there is a little conflict as far as whose numbers are right as there always are when you are dealing with numbers and statistics, but in your opinion why is the BLM losing $112 million annually from the management of BLM lands?

Mr. JAMISON. Well, part of it is your fault, Congress, and I don't blame it on you personally, but the extent of rules and regulations caused them to be implemented.

Let me tell you what I think is really the bottom line though, is why the State does it so much more efficiently. The BLM and the Forest Service and the Fish and Wildlife Service and Parks Service are all caught up in the process. They never actually get anything done on the ground.

I think I could use your State, right around your great city of Las Vegas, as a perfect example. How many millions have we spent on desert tortises? And what have we actually done for the tortise? We got caught up in the process——

Mr. ENSIGN. Well, I will tell you how much we have spent. We spent enough money to take every homeless person in Las Vegas and put them up in the Mirage every year continually and you're right, there hasn't been a heck of a lot done for the desert.

Mr. JAMISON. That is where the costs are separating dramatically. It seems like our friends in the State government are getting much more efficient because they are closer to the ground and to those they serve, and we in the Federal Government, and I am saying we, past tense, is we got caught up in the process and never got any action done.

The reason, as you heard Congressman Skeen said, we are putting out more oil and gas leases and getting more money for them is because they are doing it much more efficiently. They don't have all these hoops that have to be jumped through before they do anything.

I heard stories about a right-of-way for the power lines. I personally had to get involved in one of those just to get one to a new development that the BLM authorized. So, I mean it is just a host of things that you have to go back and say who is doing it the most efficiently? You can talk budget all you want, but let us talk efficiency. And I think that point has been missed.

Mr. ENSIGN. I think one of the things you are bringing up, because it is fairly popular to bash Federal employees nowadays and I would agree Federal employees work as hard as anybody does.

Mr. JAMISON. I do too.

Mr. ENSIGN. I have a lot of friends that work in the BLM office in Las Vegas, incredibly dedicated, hardworking people. Just like you couldn't say that it was the American worker's fault for building a lousy automobile in 1970. It was the management's fault. It was the question they were working under a bad system. The American worker builds a heck of an automobile today because management has changed the system under which they work.

I think it is the same in any system. And maybe a State has a bad system; they are not going to be as efficient as the Federal Government. It may be that the State is able to do it more efficiently. That happens to be, in my opinion, though the more decentralized. I think business is recognized in that. The more decentralized, debureaucratized, I guess you could call it, the better and more efficient management can be. Because these are just a question of systems and the more efficient use of money.

Ms. Cohen, let me just address to you, because you do oversee the entire country, but from a person's perspective that is either in an eastern State or a midwestern State, how do you think they would feel, let us say that if 50 percent of their land was controlled or owned by the Federal Government and it was land that they would like to see put on their tax rolls and it was land that they would like to see the money that they are currently generating out of the land that they have in their State. But if we could roll back the clock 50 years or, you know, a couple of hundred years and things have been done a little differently, how do you think that they would feel at this point, with this bill that is before us today? Do you think they would have a different perspective?

Ms. COHEN. Well, that is difficult to answer, but I think if history serves me right, the original 13 colonies were required to give up their claims to western lands as they came together. They also had claims to western lands and gave it up to the new Federal system. This is not a new phenomena, nor a new resentment.

I think, if I could just go on, I think your point on decentralization is a really important one. And one that we have tried to recognize. I don't think we have done it perfectly in BLM or probably anyplace in the Department of Interior, but we have spent the last two years trying to move decisionmaking down to the State and local level for BLM so that we can be more responsive to the kinds of concerns that your constituents have.

Mr. ENSIGN. Thank you, and I appreciate those efforts. I think that needs to continue. I think the baseline or bottom line that we have to look at is how effective can the Federal Government be at downsizing and decentralizing and becoming efficient. In corporate America, with large corporations, it can take 10 to 12 years, it can take 20 to 30 years within the Federal Government and because this has to be top-down driven, quality management has to be top-down driven, when the Administration changes, you know, every four to eight years, things can completely fall apart. People within the system understand that.

That is the reason we are saying we need to completely change the system. And the management of the system. I think that is a lot of what we are talking about with the public lands here; who can manage these lands more efficiently, more effectively for the public's good. In my opinion, the more decentralized we can get, i.e., the State control or local control, the better off that we will be in the long run because I think the Federal Government is very limited on how decentralized it can get. Thank you, Madam Chairman.

Mrs. CUBIN. You never know from time to time, do you? It is now my turn to question the panel. And I have to say that—I am referring to Ms. Cohen's testimony. I have to say that I really believe this is the most outlandish, even outrageous testimony that I have heard from a professional since I have been on this Committee.

I don't think it has any credibility. It is not based on fact, but rather it seems to be based on personal animosity toward westerners. I will substantiate my statement through sections of your statement so that what I am saying will have some credibility.

I refer to page 3 of your testimony to start off, the underlined section at the bottom. The Department's opposition to H.R. 2032 should not be interpreted as criticism of the States' ability to manage lands. Well, why not? Why not? When you go to the bottom of page 10, H.R. 2032 by permitting States to restrict public access or recreational activity on these lands you could inflict significant economic harm to local communities. You are assuming they would do that.

And I don't know where that assumption comes from. Another cite, page 12 at the very top. It says yet nothing in H.R. 2032 would require States to elect to take ownership of public lands and maintain them. Well, why do you think you have to require them to do anything? Again, it is your assumption that they are not capable of doing it even though you deny it.

And then back on the first page, I think reflects it best. Near the bottom, this radical legislation would transfer tremendous national assets and revenues to a small number of fortunate States. Well let me ask you this. Is there mineral production in Pennsylvania, Ms. Cohen? Is there mineral production of any kind in New York?

Ms. COHEN. Yes.

Mrs. CUBIN. Then going to page 5. You say H.R. 2032 is unfair to American taxpayers as it would transfer revenues and resources owned by all Americans to a relatively small number of States. Why is it that the government should own the minerals in the 11 western States but not the minerals in New York or Pennsylvania

or Louisiana—why should they only own the minerals in this part of the country? In the West?

Ms. COHEN. I will answer that specific thing but I would like the opportunity to answer——

Mrs. CUBIN. Yes, certainly.

Ms. COHEN. The government doesn't just own the minerals in the West; the government owns minerals in the East; we own minerals in Florida——

Mrs. CUBIN. But not all of them, is my point.

Ms. COHEN. No, but we don't own all of them in the West either.

Mrs. CUBIN. That is true, but what I am speaking about, I am talking about obviously the minerals under the BLM land.

Ms. COHEN. Well, BLM owns minerals in the East as well.

Mrs. CUBIN. And what proportion of the minerals? It is insignificant.

Mr. JAMISON. It is my understanding that 300 million acres of mineral interests in the East are managed by the BLM and owned by the Federal Government.

Mrs. CUBIN. Excuse me?

Mr. JAMISON. Three hundred million acres.

Mrs. CUBIN. Three hundred million acres as opposed to how many in the West?

Mr. JAMISON. I don't know what the numbers are in the West, but I think that it is not insignificant in the East.

Mrs. CUBIN. On page 8, you say that H.R. 2032 will limit access by hunters, anglers, hikers and other recreational users to vast areas of the West. What do you base that on?

Ms. COHEN. We base that on existing State regulations for use of State lands, the kinds of regulations that were discussed earlier as to camping, number of nights of camping, fire regulations, fishing regulations——

Mrs. CUBIN. But isn't that really just like in State parks where there are facilities? Wouldn't that be the exception rather than the rule for most areas?

Ms. COHEN. There is nothing in this legislation that requires to maintain the access that the public now has to these public lands.

Mrs. CUBIN. There is nothing that prohibits them from doing that either. I mean, you just have an assumption that the States, that the western States aren't going to do what is in the best interest of the public, number one, and in the best interest of the land, number two. And I think your testimony just points that out throughout the entire thing.

Ms. COHEN. Can I address the issues you raised?

Mrs. CUBIN. Yes.

Ms. COHEN. I think we have talked about the budget implications. This would have serious negative impacts on the Federal budget. And I am sure that the Congressional Budget Office would substantiate that.

Nothing in here is a criticism of the way that States manage the land. The public access issues that you raised are simply taking the existing State rules and applying them to lands which now would be owned by the State. It assumes that they would apply the same rules for public access that they now have, because it would be their lands.

An important point, I think that we have emphasized but maybe we haven't made clear enough, is that two, maybe three States, are in a kind of positive cash-flow situation where when they get the mineral rights and then take over the management of these lands, they will receive more income than in all likelihood they will spend.

Mrs. CUBIN. And also don't they have to provide infrastructure and——

Ms. COHEN. They would have to provide——

Mrs. CUBIN. They have structure, they would provide, yes. The red light is on and I did see that Mr. Jamison wanted to make a——

Ms. COHEN. If I could just finish the sentence. They will have increased expenses, but other States who will not receive the revenue may not wish to incur the expenses and the Federal Government will be left with those expenses.

Mr. JAMISON. Thank you. I think maybe a little history lesson might help us. Let us go back to coal as an issue. That is one of the reasons I support this bill, is you have to go back and look at why were these rights or lands retained by the Federal Government? As to mineral rights, do you know why the coal rights were retained? Happened to be the stock grazing homestead, they had regular homesteads come first, 160 acres, those mineral rights went to that landowner. The person who proved up on that homestead.

A stock grazing homestead which was passed a little later, do you know why the Federal coal rights only were retained? Because it happened to be just about the time of World War I, or the Spanish-American War, most of our battleships at that time were fired by coal. So Congress in its wisdom, said we'll retain all the coal rights to fire our battleship boilers. So that is why they retained all the coal rights to the Federal Government. That is why you end up with a scattering through Wyoming, Montana and others. We have stock grazing homesteads. The surface is private, subsurface coal rights still belong to the Federal Government.

Now, is that purpose still valid today? That is the question I would ask you. And I think that is a decision you guys are going to have to take a look at.

Mrs. CUBIN. Thank you. Mr. Hinchey.

Mr. HINCHEY. Thank you very much. Ms. Cohen, let me say that I very much appreciate your testimony and I appreciate it probably because I agreed with every word. And I also would speculate that the vast majority of Americans across this country share the same views and attitudes that you expressed in your testimony with regard to the public lands and the need to husband those resources in the interests of the Nation and all the people of the country.

But this is not the first time that a Congress of the United States has suggested the idea of transferring these resources from Federal jurisdiction to the States, is it?

Ms. COHEN. No.

Mr. HINCHEY. In fact, it was back in the 83rd Congress, I believe, that an effort was made during the Eisenhower Administration, isn't that correct?

Ms. COHEN. Yes. And I think I quoted from the then Secretary of Interior on his view of that.

Mr. HINCHEY. Well, would you do that for us? Did you quote that in your testimony? I don't remember hearing it.

Ms. COHEN. All right, but I think I did. But I would be glad to quote it again.

Mr. HINCHEY. It may be worth hearing again.

Ms. COHEN. I have it. Oscar Chapman. If this Administration is intent upon following a giveaway policy, the people are at least entitled to know what and how much is being given away. Billions of tons of oil, coal, trillions of cubic feet of natural gas, not to mention timber, grass, electric power plants, then sites for future ones, irrigation and other water potentials, precious metals and other minerals.

Mr. HINCHEY. And the Eisenhower Administration then was opposed to the idea of Congress to transfer those lands to the States, I take it, from Mr. Chapman's testimony?

Ms. COHEN. Yes.

Mr. HINCHEY. So, what was said here before was that on a bipartisan basis throughout most of the history of the country that I am aware of, it has always been held that these assets were the assets of the Nation and the people of the Nation and ought not to be transferred to one group of minority representatives whoever they may be in the country.

Ms. COHEN. That is the history of the debate, yes.

Mr. HINCHEY. Even in the Hoover Administration I see that in spite of the fact that that Administration recommended transferring the Federal lands to the western States, they nevertheless insisted under that proposal that the minerals beneath the lands should remain in United States ownership. Because I assume they recognized that those assets were in fact the assets belonging to all the people of the country and should not be expropriated by a minority of the people of the country to the great disadvantage of the vast majority of people of the country. Does that seem reasonable to you?

Ms. COHEN. Right. It sounds reasonable to all of us, I think.

Mr. HINCHEY. I found in your testimony your catalog of the resources that are involved here and they are considerable. You mention one-third of the Nation's reserves of coal are at stake here. Twelve and a half trillion cubic feet of natural gas, 1.4 billion barrels of oil reserves, 170 million acres of rangelands, 48 million acres of forests, 55 million acres of geothermal energy, 35 percent of the Nation's reserves of uranium, 80 percent of the Nation's reserves of oil shell, and vast deposits of minerals including cobalt, copper, nickel, platinum, group metals, silver, tungsten, phosphate, sodium, lead, zinc, potash and more.

So, it becomes clear when you look at this, in this particular perspective, that what is being discussed here is really a raid on the vast natural resource treasury of the Nation to the disadvantage of most of the people of the country to advantage a small minority of people in the country. Am I reading this correctly?

Ms. COHEN. Well, I wouldn't want to characterize it as a raid. It is a transfer——

Mr. HINCHEY. Well, that is my word, but you can use another word of course.

Ms. COHEN. It is a transfer of the significant resources of this country to individual States.

Mr. HINCHEY. Well, I thank you very much and again, let me express my appreciation for your testimony because I think it is in the tradition of all of those going back to at least to the first Roosevelt who have felt that in positions of responsibility that they must husband the resources of this Nation to the advantage of all the people of the country and to do so in an equitable fashion. So that everyone can benefit from them as much as possible.

Mr. VENTO. Will the gentleman yield to me?

Mr. HINCHEY. Yes.

Mr. VENTO. I would just add my observation that there are no limitations in terms of the private transfer of these resources once they are in the hands of the States. I mean, almost all the laws we have had for a hundred and some years, 150 years, have always stated what the economic purpose is, whether it is transportation or schools, the Homestead Act, whatever the purpose has been, there has been a public purpose, even today the transfer is always with reverters in to make certain that it is used for a public purpose to a benefit of the public interest, to a community, for a school.

I was interested in the gentleman from Nevada because I don't think the city of Las Vegas and the surrounding area has done anything without getting a free public land for schools and for parks around there. So they receive a lot of benefits and I don't object to that, especially in public land States, I don't object to it.

It is just that there has always been a public benefit with reverters and inurers, plus of course the requirements for cleaning up and doing the other things which of course haven't been perfectly met either. I thank the gentleman for yielding. His time is up.

Mr. HANSEN. The time for the gentleman from New York has expired. The gentlelady from Idaho wants to be recognized to reclaim, what? An additional minute?

Mrs. CHENOWETH. I think it will take about a minute.

Mr. HANSEN. OK, the lady is recognized for one more minute.

Mrs. CHENOWETH. It is my understanding that with regards to minerals in the West that the Homestead Act of 1862 actually gave the retention to the United States Government of minerals under the ground. But upon discovery, under the Mining Act of 1872, upon discovery there is a claim made for ownership by the miner who discovers the claim. Once there is a bona fide discovery, then he was given in the past the ability to process the land above it to patent. So he would always have access to that area, and I am not being picky but it was always the purpose that humans would be able to draw that mineral or resource out of the earth for the benefit of the Nation.

I do also want to say that I had talked to Mr. Leshy about the lobbying and I do want to say that and get it in the record and submit it to the record formally that there was a press release that went out Monday, July 31, from a Celia Boddington and it states directly that in this press release on the second page, the second paragraph, legislation introduced in the 104th Congress would transfer the public domain to individual States. It goes on to talk

about why this legislation would be bad, wrong, for the BLM and for this transfer to take place.

Now, in view of that, I think it again substantiates my point that there was illegal lobbying activity going on by the Bureau of Land Management. Finally, I do want to say that one of the reasons why it has cost $112 million dollars over revenues collected by the Bureau of Land Management is because of the excessive costs of ecosystem management which produces nothing in the resources but a process for the people and the agency.

There has been excessive travel around the country to attend various conferences, building exhibits, producing pamphlets and information like this and the cost of preparing the environmental impact statement just for Rangelands Reform '94 mobilized hundreds of people. Those are just a few of the examples as to why it is costing the Federal Government so much more to administer the lands than it would the State, and with that I know Mr. Leshy did want to respond if there is time. Mr. Chairman, I would like——

Mr. HANSEN. It would be OK if you are brief.

Mr. LESHY. Yes, on the lobbying question, if I could just add a couple of thoughts. Everybody in positions of power to interpret the anti-lobbying rules, stretching over several Administrations, has recognized that it is really in the highest order of the government to provide information about what it does, to inform the citizens and the taxpayers who pay the bills what the government is doing.

What the taxpayers assets are and how it is managing those assets; that report is simply a report on those things. It does not exhort anybody to lobby. The report has been several months in production. It happened to come out about the time of this hearing. The press release that covered the report referred to this legislation. It did not exhort anybody to take a position on this legislation. It simply reports to the taxpayers.

As I said earlier, in my judgment, it fully conforms with every restriction of law. Thank you.

Mrs. CHENOWETH. Mr. Chairman, Mr. Leshy, I think we have a distinct difference of opinion on that and I would like to submit this formally to the record.

Mr. HANSEN. Would you yield to the gentleman from——

Mrs. CHENOWETH. Mr. Chairman, I would like to ask your indulgence. Do you have anyone else's opinion other than your own on this kind of activity?

Mr. LESHY. I think a number of lawyers in my office have looked at this. We all have the same opinion on this. There is no disagreement. This is really a clear-cut case of compliance with——

Mrs. CHENOWETH. But you didn't go outside your own agency to get the opinion.

Mr. LESHY. We have looked at the way these restrictions have been interpreted in the past by the Bush Administration, and other previous Administrations. There are a number of written opinions that the General Accounting Office, which is a watchdog of Congress on these issues, has produced. We are consistent with all of those opinions.

Mrs. CHENOWETH. Thank you, Mr. Chairman.

Mr. VENTO. For the part of parliamentary inquiry, we are submitting the report and the news release that accompanied it from

Celia Boddington. Are you also submitting for the record the State Director's? Is that going to be put in the record as well?

Mrs. CHENOWETH. Yes.

Mr. VENTO. That deals with a different topic, it deals with the Resource Advisory Councils, am I understanding that correctly? It deals with the grazing issue that is going to be marked up this Friday, I guess.

Mrs. CHENOWETH. It deals with legislation before the Congress, yes.

Mr. VENTO. Right. You want to put it in the record of this Committee meeting?

Mrs. CHENOWETH. Yes.

Mr. VENTO. I just want to understand——

Mr. HANSEN. OK, without objection. Anybody object to it? OK, it is in there. The time for the gentlelady from Idaho has expired. I apologize to the witnesses and the Committee for running back and forth but the Armed Services Committee had a couple of very important votes that were really close. I had to run; I had no choice and I didn't mean to slam the door going out. I didn't realize. I apologize. I didn't want to do that.

I assume all the questions everyone wanted to ask have been asked. Mrs. Chenoweth apparently went through this lobbying thing that was a concern to her.

Just let me state from quickly trying to read some of the testimony that was brought up. The Secretary indicated the State of Utah sold off half of its State lands; however, in the last 20 years it has been infinitesimal. I would assume that any new State back in those early days probably did a lot of those things, that is probably very understandable. I wouldn't doubt that that had occurred. However, they are probably as hard to work with as you folks now, you can't get anything out of them. If I may say so. No disrespect to—this old land developer, I can say that with great feeling.

Let me just say if I may, I still haven't got it through my thick head of why it was all right in years past for the States to have all this public ground in New York or Minnesota or Oklahoma, and now it is all bad. I mean a few years ago my grandfather didn't get a chance to do this but now we just have a difference of opinion.

I know laws come along and I know things change, but I think that is the frustration that we see in the West and the war on the West and I am sure those of us who live in the West constantly wherever we go or whatever we speak at a PTA or the Rotary Club—you folks are hissing a byword if I may say so, and they say well, how come we didn't get our land?

Now, I don't know where you three are from but if you are from the West, you probably have experienced that. If you are from New York, you are kind of like the little church down in Oklahoma. They had a church and there were 40 people attended and they all tried to get their membership up and then they had 200 acres they sat on and they found oil and then they immediately had a meeting and they closed the membership at that point.

And if I may respectfully say so, I somewhat feel that all our friends from the East now want to close the membership. We got ours, the heck with you.

Anyway, that is a concern.

Mr. VENTO. If the gentleman would yield. My grandfather came too late, I didn't get mine.

Mr. HANSEN. Well, I didn't either. But I hope you folks at least have some open mindedness when it comes to the concerns of these people out there. They are good people. They are patriotic Americans. They pay their taxes. We are just like every State, we got our pocket of right and left that are a little funny from time to time, but we let them out of the compound, but occasionally you will find that basically our people are pretty darn good people and they are very supportive and when the military calls they go. And they do what they think is necessary and I kind of object to the attitude that I sometimes feel as I sit in this chair and have people come in that there is a bunch of radical crazies out there; they are not. They are very good taxpaying citizens of the United States.

Of course here we have a difference of opinion and that is one thing we do. I have no objection to anyone having a difference of opinion with me or others. That is—we agree to disagree. So I do want to say, and I would hate to give the impression, especially to the Secretary and her associates who are here from the Department of Interior that we have any personal animosity, we certainly do not. And I would be embarrassed if you felt that way because that is not the case.

But we do have a difference of opinion and we know where you get your marching orders, we just happen to disagree a little bit, if I may respectfully say so.

So, to you and to the former Director of the BLM, Mr. Cy Jamison, we express our thanks and appreciation and gratitude that you would come up and share with us your testimony. It was very kind of you to do that and again I apologize for not being here through the whole thing and we will excuse you now and go to the next panel.

Before we do, I would like to ask this question. Is Mr. M. J. Hassle here by any chance? He is the State Land Commissioner of Arizona. Apparently he isn't here so we are just going to lump the rest of you together if you don't mind.

We will start out with Mr. Jim Magagna, State Land Commissioner of the State of Wyoming, Mike Baughman, Intertech Service Corporation, George Lea, Public Lands Foundation, Phil Hocker, Mineral Policy Center and Lonnie Williamson, Wildlife Management Institute. I think we could get all you folks up there. Dawn is pretty good at cramming you in. We can probably do that.

Thank you for being here and thank you for coming. We will just start on this side and go across. Mr. Magagna, it is good to see you again, sir. Let me just ask. How much time do you need? Anybody here need more than five minutes?

Mr. MAGAGNA. Six perhaps.

Mr. HANSEN. OK, you know the rules. It is right in front of you. Please be cognizant of the light. Jim, we will start with you, sir.

STATEMENT OF JIM MAGAGNA, STATE LAND COMMISSIONER OF THE STATE OF WYOMING

Mr. MAGAGNA. Thank you, Mr. Chairman, and members of the Subcommittee. My name is Jim Magagna. I serve as Director of

Federal Land Policy for the State of Wyoming; also as Director of the 3.6 million acres of State lands.

I appreciate this opportunity to discuss with you Wyoming's full support for H.R. 2032. I compliment you, Mr. Chairman, as well as our Senator Craig Thomas on the Senate side for being prime sponsors of this historic legislation which recognizes and effectuates the longstanding intent of this Congress prior to the enactment of the Federal Land Policy and Management Act of 1976.

Let me stop and remind the members of this committee at this point that while we talk a lot about the history of the public lands in the West and their BLM management, in terms of legislative history, the historic action that you are proposing to undertake only reverses a mere 19 years of legislative history, because prior to 1976 it was the clearly expressed intent of this body that these lands were being managed in a temporary trust situation until such time as they were turned over to the individual States. I think that is a very important consideration.

Mr. Chairman, I would ask that my full prepared remarks be entered in the record.

Mr. HANSEN. Without objection. And all of your full testimony will be in the record. Excuse me, go ahead.

Mr. MAGAGNA. We believe that this legislation represents the preferable approach to placing BLM-administered lands under State ownership, control and management responsibility. It sidesteps the longstanding Constitutional debates on issues of equal footing and States' rights. While we do agree that these issues should be addressed, under H.R. 2032 the transfer of BLM-administered lands can proceed based on practical issues of improved management and reduced costs.

Of the 62.3 million acres of land in the State of Wyoming, the government owns 30.5 million, nearly 49 percent. Wyoming hosts two national parks, two national monuments, four complete national forests and portions of four additional forests. These lands total approximately 12 million acres reserved by this Congress to be protected forever for the American people because of their beauty and unique characteristics.

I believe that the State of Wyoming, as each of our 50 States, has contributed some of their most unique lands for the overall benefit and long-term enjoyment of all the American people. Those are not the lands that we are talking about here today.

This land transfer will achieve several fundamental objectives with national benefits. First, the on-the-ground management knowledge and management capability will be significantly enhanced. BLM currently has many excellent trained professionals in its field offices; however, the career path of Federal employment requires that these people continually move from one State to another, often with Washington duty interspersed. They are denied the opportunity to develop the expertise on the specific characteristics of the individual pieces of land that have to be managed.

For this reason, it is not surprising that ranchers, miners, loggers, sportsmen and others with lifelong relationships to the land are rightfully reluctant to accept the management input of these qualified professionals.

Under State management, we will see incentives for professionals to spend major portions of their careers developing a relationship with the specific lands in their State and with the people on those lands.

Indeed, BLM personnel on the ground often today are as frustrated as the rest of us with their inability to influence Washington policy and with the policies that are handed down that are quite often inconsistent with their own on the ground management objectives.

Much has been said here today about the streamlining of administration that will take place, and I think this is also significant. Through a transfer to the States, all levels of management above the current State Director position will automatically be eliminated beginning with the Secretary of the Interior as to these lands.

Under State management, in Wyoming we are confident that the duplication caused by the current BLM district level of management and area management can also be removed, that we can have people on the ground in area offices reporting directly to the State Director of these lands.

There is a perception of a heavy dependence in the western States on the largess of the Federal Government that will be corrected by this legislation. I have had it called to my attention numerous times by eastern interests that Wyoming receives far more per capita in Federal dollars than similar rural eastern States.

The response is simple. Give us ownership and control of our natural resources in a proportion comparable to yours and we can quickly become the least dependent of all the States.

Are our Federal mineral royalty share, payment in lieu of taxes, and shares of grazing receipts on Federal lands payments, or are they simply a portion of the production from our resources?

Opposition to this and similar legislation is rooted in the perpetration of several myths. One of these is that the American public will be denied the use and enjoyment of these lands; that will be a privilege reserved to the citizens of a single State. This is simply not true.

No more am I denied the use of the resources of Central Park owned by the city of New York than will the people of New York be denied the use of the resources of these lands owned and managed by the people of Wyoming. The fact is, all authorized uses will continue to be available on an equal basis to all U.S. citizens.

The second myth, prevalent even in Wyoming, and Mr. Chairman, with all due respect to the Congressman from Montana, I would have to say prevalent even here in Washington, is that multiple use will no longer be maintained, that access will be denied to these lands; and that eventually most of the land will be sold to the private sector at bargain basement prices.

Let me remind you that the history and the legislative mandates, both Federal and State, that will control the management of these lands are not the same mandates that control the current State management of the school and other institutional lands that we hold. In those cases, by act of Congress and by our State Constitutions, we are clearly mandated to place benefit to the beneficiaries as the primary consideration. Public access, public use are desir-

able objectives that we try to achieve on State lands in Wyoming but they are not our mandate.

These lands, when they are returned to the States, will in Wyoming be under a mandate that public use and the public access are one of the primary mandates for their use. So we simply cannot compare the current management of State trust lands or lands for beneficiaries with the management States would place upon these lands.

In Wyoming we are fortunate. Our legislature had the foresight many years ago, as Senator Thomas reminded us earlier this morning, to adopt statutory language to guide the management of these lands when they are turned back to the States. And our statutory language speaks not only of commodity uses but of recreation, conservation, protection of watersheds, wildlife habitat, et cetera. It goes on to make it very clear that there will be broad multiple use mandated for these lands when they are managed by the State of Wyoming.

Mr. Chairman, I won't take time to go into several changes that we have recommended into this bill. However, one of those I would note is that we feel ten years is too long a time for the State to take over management once the Governor has exercised his prerogative. However, after hearing the discussion today, about the legitimate budgetary concerns of the Federal Government, we in Wyoming are willing to do our part to help you to put your budget house in order and, if it is necessary for us to wait for ten years to take over management control of these lands, we would be willing to do so.

But let me emphasize that beyond those ten years, we are not willing to have Congress balance the Federal budget on the backs of ten or eleven western States.

In closing, Mr. Chairman, let me note that at no time since enactment of FLPMA in 1976 has it been more appropriate to initiate this land transfer. H.R. 2032 is a major downsizing of Federal Government. It places the power closer to the people. It is a true block grant to the States of the resources with which to meet their own socioeconomic needs.

We urge favorable action on this legislation by this Subcommittee. And I thank you for the opportunity to be here with you today.

[The prepared statement of Mr. Magagna can be found at the end of the hearing.]

Mr. HANSEN. Thank you for your testimony. Mr. Williamson.

STATEMENT OF LONNIE WILLIAMSON, VICE PRESIDENT, WILDLIFE MANAGEMENT INSTITUTE

Mr. WILLIAMSON. Thank you, Mr. Chairman. I am Lonnie Williamson, vice-president of the Wildlife Management Institute. The Institute strongly opposes enactment of H.R. 2032. We view the bill as a serious threat to our Nation's treasured wildlife heritage.

In my experience, Mr. Chairman, I have found it easy to underestimate how much the American people care for their public lands. The public domain has been a part of this country since its beginning.

The public domain has been a part of this country since its beginning, when individual States ceded land to the government. For nearly 200 years the Federal policy was to dispose of those lands and encourage settlement. But late in 19th century, this Nation began to change that policy.

The Creative Act of 1891, which provides for withdrawal of forest reserves, was among the first steps back from disposal. Another important declaration of how public lands should be managed came from the Public Land Law Review Commission which Congress established in 1964. That bipartisan effort, which I think was chaired by the former chairman of the old Interior and Insular Affairs Committee in the House, produced a 1970 report titled "One Third of the Nation's Land," which recommended that "the policy of large-scale disposal of public lands be revised and that future disposal should be of only those lands that will achieve maximum benefit for the general public in non-Federal ownership, while retaining in Federal ownership those lands whose values must be preserved so that they may be used and enjoyed by all Americans."

The most profound result of that recommendation is the Federal Land Policy and Management Act that came along in 1976. That is an organic act for the Bureau of Land Management. That statute pointedly establishes a Federal policy to retain public lands.

H.R. 2032 would reverse that policy. And that is something with which we fundamentally disagree, because disposal, whether to States or other entities, probably would mean less management to conserve resources and less public access for recreational purposes.

Federal public lands are great assets to the western States in our view. They not only provide significant income to States and counties, they are what in large part makes the West different from the Midwest, the East or the South. They are the reason why people in all parts of the country admire western States and unfortunately are moving there in increasing numbers.

The West now is the fastest growing area of the country. Public domain lands are the most ecologically diverse managed by any Federal agency. The varied landscapes support nearly three thousand species of wildlife, including every native North American big game animal, 23 species of upland game birds, internationally recognized raptor habitats and more than 215 threatened and endangered species.

The 270 million acres and 174 miles of fishable streams provide more than 65 million recreation visits in fiscal year 1994. And that popularity is reflected in the estimate that 70 percent of all travel to the western States is for pleasure.

It is highly unlikely in our view that these recreation resources could be maintained under State or private ownership. Virtually all public land States require that State lands be used for maximum revenue generation which stacks the deck in favor of commodity production in minds of most State land managers, at least that is the case so far.

And there is nothing in the legislation that we can see that would require the States to do any different. Mr. Chairman, the States already get half of most income generated by public land resources plus some generous payments in lieu of taxes. Further-

more, individuals and families in public land communities benefit also.

Surveys by the Economic Research Service show that family income in counties with public land is approximately $2,000 a year higher than income in counties without a public land base.

Mr. Chairman, we cannot think of a problem that would be solved by this legislation, but we do see many that could be created by it. We thank you very much for considering our views.

[The prepared statement of Mr. Williamson can be found at the end of the hearing.]

Mr. HANSEN. Thank you, Mr. Williamson, we appreciate your testimony. Mr. Lea, you are recognized for five minutes.

STATEMENT OF GEORGE LEA, PUBLIC LANDS FOUNDATION

Mr. LEA. Thank you, Mr. Chairman, for the opportunity to appear here today to give you our views on H.R. 2032. As a national organization of retired but still dedicated former Bureau of Land Management employees, the foundation is a nonpartisan advocate for sound public land management and has the unique body of knowledge and expertise regarding such.

What is more important is that we have kept up on the public land issues and truly understand what is happening to the public lands.

The idea of transferring the public lands to the States is not new. In the 1930's there were several Commission reports, the Garfield for one, which ended up in passage of the Taylor Grazing Act. In the 1960's, the Classification and Multiple Use Act was passed in which there were numerous meetings held with the State and local officials as to whether the land should be retained or disposed of and the end result was over 175 million acres were classified for retention.

And finally, as has been mentioned here this morning, in 1970 the Congress passed FLPMA which made a final decision that these lands were no longer vacant, unappropriated public lands, but were to be retained in Federal ownership. This policy determination by Congress is the same declaration that Congress has given to the national forest lands in the Forest and Rangelands Renewable Resources Planning Act of 1974 and the National Forest Management Act of 1976.

So one has to ask what is the benefit of giving such gigantic public assets to a few States? What benefit does the average United States citizen, the real owners of these lands, receive by giving these assets without compensation to a small segment of the population?

In our view, we see very little benefit or justification for such a windfall. As a matter of fact, there may be a small reduction in the Federal appropriations that are needed to manage these lands, but nearly an equal loss in receipts. And I would think in reality that the States, most of the States, would not take you up on this offer without having the Federal appropriations given to them to manage the lands.

It is important to note here that the Federal receipts would be substantially larger had Congress through the years authorized the

collection of fair market value and royalties for the natural resources found on the public lands.

Again, it would be very interesting to see how the States view this. When they receive 50 percent now of nearly all of the receipts without any responsibility for management, protection and liability associated with the lands, it is hard to realize why they would be interested.

It is coming at a time when the States are also reducing their budget and trimming their budgets in the same reformist impulses that have dominated the Congress this year. Fire protection and emergency fire suppression is a good example. The States would have to have deep pockets to handle the situation and the liability that acccompanies the management responsibilities. Unfortunately, here just last week there were two firefighters killed in a fire in Idaho.

On the other hand, it is easy to see why States like New Mexico and Wyoming would endorse this legislation. BLM manages 33 percent of all the coal reserves in the United States, a 200-year supply, and nearly 65 percent of this comes from the coal reserves in Wyoming.

In addition, with the development now underway, when the Green River Formation is completed, Wyoming will become the largest natural gas producer in the United States, with the majority of this coming from under BLM lands. In the case of New Mexico, over 3.5 million acres are currently under oil and gas lease.

So again, what is driving this? With State ownership, the public land livestock users, other Federal lease holders and large corporations see this legislation as one more step closer to the day that they can acquire title to public lands. We heard that this morning from a couple of the statements made, that describes what is behind this. They intend to sell most of the lands.

In many cases like the State of Nevada, they have already disposed of their lands that they received under their Enabling Acts. So we see this hope of private ownership as a major force behind this legislation.

Sir, there are some major shortfalls that we see in this legislation and we have mentioned them in our testimony, one of which is that we feel that the Forest Service and the national grasslands and the fish and wildlife refuges should be included. We have heard from time to time that BLM lands after all are just what is left, the good land was homesteaded, and what is left are just rocks and scablands, alkaline flats, land that nobody wanted. Well, we know differently, of course.

But to be fair with the States, they should have a choice. They should be able to look at all the public lands in their State, and have a choice. In the case of the National Grasslands, these were once private lands. The States may want to acquire them so that they can sell them and get them back into commodity production.

As has been mentioned, there is at least a 12-year hiatus where the lands would be in limbo before the lands would be transferred. We think, if it is going to happen, the process should be much quicker.

We have offered an alternative, sir, in our testimony which I appreciate you looking at closely. The land pattern ownership of BLM

managed areas is the result of an accident of history and there are a lot of scattered tracks that need to be disposed. There are a lot of areas that need to be blocked up, and we think the Congress should get interested here and start an intensive ten-year program to improve the ownership.

In conclusion, I would like to refer to the report on H.R. 1977 which is the Department of Interior and Related Agencies Appropriation Bill for 1996. It contains two requirements, both directing the Secretary of Interior to work with States in developing pilot plans and alternatives to wholesale transfer of the public lands to the States.

One of these proposals is very similar to what we are recommending. H.R. 1977 directs the Secretary to work with the State of New Mexico in identifying BLM lands potentially suitable for disposal through sale or exchange. The other directs the Secretary to develop pilot plans for joint Federal/State management for selected BLM resource areas and counties.

It occurs to us that Congress should have the benefit of the results of these experiments before proceeding any further with a policy of disposal of public lands.

Mr. Chairman, we hope our comments will be beneficial to you and we want you to know that we are sincere on our efforts to see that the public lands are managed well. Thank you.

[The prepared statement of Mr. Lea can be found at the end of the hearing.]

Mr. HANSEN. Thank you, Mr. Lea. Mr. Mike Baughman, you are recognized for five minutes.

STATEMENT OF MR. MIKE BAUGHMAN, PRESIDENT, INTERTECH SERVICE CORPORATION

Mr. BAUGHMAN.

Thank you, Mr. Chairman, members of the Committee. My name is Mike Baughman and I am President of Intertech Services Corporation, Carson City, Nevada. I was one of the principal authors of a report entitled "Identification of Public Land Transfer Issues and Preliminary Comparative Economic Analysis" which was prepared for the Board of Eureka County Commissioners, a county in Nevada.

Eureka County is a county within which 76 percent of the land base is managed by the Bureau of Land Management. The county has some of the largest gold mines in the Nation, as well as extensive grazing and other kinds of energy, principally geothermal, production activities.

Eureka County is exemplary in their willingness and desire to look forward and really try to understand what the implications would be at a State level and prospectively at a county level, were the land transfers to go forward.

Their interest lies primarily in that their economy is largely tied to public land uses as are most every county in the State of Nevada. And they were very concerned that in the event that the land transfers were to go through, that they might be in some way be impacted.

They acted with what I believe was a premonition on their part that the transfer was something they would like to see happen.

They did not know what the economic consequences of that would be and they responsibly wanted to find out.

I can tell you right up front that this report does suggest that the State of Nevada can manage public lands and produce net positive revenues. I know there has been some concern expressed by certain members of the Committee and others, that if this bill were to be passed it might have some adverse consequences for the State of Nevada. However, our analysis would suggest otherwise. In fact, like other States, Nevada does have the potential to generate net positive revenues.

There are some caveats to that. And I think there are caveats to every State. Those have a lot to do with uncertainty in institutional structures. Nevada is one of the most urbanized States of the western States with the vast majority of the population residing in Las Vegas and the Reno/Sparks area.

Clearly the land management policies that might be adopted in our State to manage lands would be driven largely by the whims of the folks living in Las Vegas and Reno/Sparks. That is a concern in our State; however, I think it is a concern that the folks in the rural areas have expressed a willingness to take.

I would also note that our work suggests that there are some alarming trends with public land management. I think you should know, in every case we identified States making money managing public lands, in every case we identified public Federal Government loses money.

What are the reasons for that? We really haven't touched on the reasons for that. I think there are several. We heard about regulatory kinds of things. Really what we are talking about here is a Federal Government spending money to generate or to manage or to produce non-economic values and States generally spending money to produce economic revenues or to generate economic values.

One of the concerns that confronts local governments in Nevada and perhaps other western States is that our economy is very significantly constrained by the availability of private lands. The management decisions for the vast public areas in our areas are being made by policymakers, perhaps in Washington.

Congress certainly has been to blame for part of this. I think the revolution that we saw that swept through this Nation in the last election which brought many new folks in here to Washington, is the same kind of revolution you are seeing in the West right now.

If it is right for us to change the way we do business in Washington, it is right to change the way we execute business at the ground level in the counties and the States. And certainly our analysis would suggest that.

We think there is a great deal of inefficiency that goes on in terms of the management, in terms of the folks that are out there managing the lands. They are not driven to generate net revenues or in a sense profit like a land user might be. They have a sense of needing to manage that land, to do something good with it, but not in monetary terms.

I think as a result of that we have had a bureaucracy that has grown. We have land managers out there that are simply managing for management's sake. It is like tending your lawn. I water

it so I have to mow it. Doesn't really produce a lot of good in that sense.

Let me close so we can get on to questions by suggesting that there are several trends that we identified; one, States make money. Forge production is holding steady or is up in some cases which is an environmental indicator. Revenues are up across States. Except in the case of Utah, which we note seems to be doing a good job in holding down costs, costs are up for managing lands at the State level. So there is a growing bureaucracy within State land management. That concerns us in Nevada as we confront the possibility of taking on land management.

Net profits per acre are up across all States. Total acres managed are down slightly. States do sell lands but they sell a very small amount of their lands on an annual basis. I would note that in Nevada land sales hold great potential. As an urbanized area, and Las Vegas growing rapidly, we would imagine that the State of Nevada would sell public lands to help with the growth in that area. That is a problem for the Las Vegas area right now, and I will just close by noting that the city of Las Vegas and Clark County have been very frustrated by the Bureau of Land Management's seeming willingness to free up public lands for development purposes not in concert with the development goals and objectives of the city and the county, thereby creating leapfrog kinds of growth.

So there is a real insensitivity not only to the rural needs in Nevada, but we have seen an insensitivity to the urban needs as well. Thank you, Mr. Chairman.

[The prepared statement of Mr. Baughman can be found at the end of the hearing.]

Mr. HANSEN. Thank you, Mr. Baughman. Mr. Phil Hocker, you have got five minutes.

STATEMENT OF PHILIP HOCKER, PRESIDENT, MINERAL POLICY CENTER

Mr. Chairman, thank you. My name is Philip Hocker, I am president of Mineral Policy Center. We are a nonprofit organization of 2,500 members dedicated to the adoption of policies which serve the long-term national interest for environmentally clean and fiscally responsible management of our mineral resources.

And I would like to thank you for the opportunity to testify today and ask that my written statement be submitted into the record.

Mr. HANSEN. Without objection.

Mr. HOCKER. Since it is for better or worse, fall into the need about cleanup here, reflect a little bit in some broader terms. First I would like to talk about the philosophy of this legislation and some of the issues that you raised which I understand and sympathize with.

Second, about the magnitude from a minerals point of view that being our area of expertise, of what this bill would actually transact. And finally on this bill as legislation rather than as philosophy.

I probably should be in favor of this legislation from one point of view because this would accomplish something that Stewart Udall and I have been working on for many years now, the reform of the 1872 mining law. This bill would lead probably, one cannot

be sure, to the collection of market value returns for public entities from the disposal of what are now Federal minerals. Of course, the 1872 mining law does not collect.

But the sentiment that the western States are being treated unfairly which as the child of westerners and it as a long-time resident of the region myself, I fully understand, I think really has to be weighed against the reality of history.

There has been some mention earlier today when the original Articles of Confederation were entered into by the 13 colonies, 7 of those colonies were demanded by the other 6 to cede their western land claims. Those western land claims, Virginia's were far and away the largest, exceeded 237 million acres of land which those seven original States owned. So those States gave up into the common trust for the whole country an area of land which is very close to the area of land that we are talking about today, about 270 million acres, being given to a favored number of States from the BLM trust.

Those seven States, if we are ever to talk about "giving land back" to States, the only States that can get land back from the Federal Government are those original seven States that gave it to the Federal Government, Virginia, New York, Massachusetts, Connecticut, Georgia, those are the only States that can get land back. It is simply not historically possible to give land back to Wyoming or Utah or Arizona. It is an historical impossibility.

Those lands were purchased for the benefit of the whole country, with the blood and the cash of citizens of the entire country. And that blood and that cash was expended to build a stronger common United States. Not to build special favors for specific States.

When the territorial governments in those western regions were replaced by Statehood Acts, there was an agreement which progressively gave more and more of the land area within the boundaries of each of the new States to the States as they came into the Union.

More land was given to those States as they entered the union than is currently in the 270 million acres in BLM administration.

But what is left is a common trust and I think that Representative Williams really put it best, it is a common trust for future generations, for all of us, for the whole country. And I don't think that we can turn our back on that common responsibility. It leads to frictions. I have lived with some of those and been frustrated by them myself. But I think that living with and working out and resolving those frustrations case by case and piecemeal is a more realistic way to move forward than to think that we can dispose of the whole problem in one fell swoop.

H.R. 2032 would transfer an immense amount of wealth. We have attempted to calculate what the actual value of that is and by our best calculation using current prices, not allowing for inflation in the future, the minerals in the ground that would be given away by H.R. 2032 if all of the States in which minerals lie were to take advantage of the opportunity, would be $3.29 trillion. But that of course is more than twice the entire Federal budget approved by the Budget Resolution of this Congress.

It is primarily a coal resource. There are $2.872 billion worth of coal under the BLM lands or in BLM-administered mineral States

in the western States, primarily in Montana, Wyoming, Colorado, New Mexico and North Dakota and Utah.

In fact, if the question which Secretary Cohen raised earlier, which States would take advantage of the opportunity that H.R. 2032 offers were weighed simply on an economic benefit basis by the States. I would predict that probably Montana, Wyoming and possibly New Mexico would be the States that would make as an economic decision the choice to get it while they could.

There is, of course, also a very large amount of oil and gas. It would be viewed as an immense amount of money if it weren't looked at next to the coal, $288 billion dollars worth, using U.S. Geological Survey figures. I might add the figures that U.S. Geological Survey gives us are slightly different and slightly larger than figures which BLM seems to be using today.

Gold and silver, we did our best effort at estimating the value there, we come with $130 billion. That is probably the least well-known of the numbers and there are other estimates which I relate in my testimony. And that is not even including phosphates, oilshell, a lot of other potential minerals which you know as well as I are viewed by many folks in the West as great future opportunities.

What would H.R. 2032 actually do with this? We have heard a lot of talk today from different folks including Mr. Magagna and some of the members who have been both testifying and commenting about what they would anticipate the bill doing. But in fact the bill is very wide open as to what it would allow.

We did some historical research and found a bill introduced by Senator Robertson from Wyoming in 1946 which had the same philosophical goal I believe as H.R. 2032. Robertson's bill as 1945, and I recommend it for study, was titled a bill to provide for the granting of public lands to certain States, for the elimination of grazing lands for national forests and parks, and it went on. But it would have required that the States collect a reasonable royalty. It would have dedicated revenues from the lands to public trust purposes, such as schools.

President Hoover's report and recommendation in 1930 would have required that Federal minerals be retained in Federal ownership even though the surface be given to States.

So the breadth of what H.R. 2032 proposes is unprecedented. The absence of public interest guidance is unprecedented and the perception of equity that it proposes is not found based in historical fact.

We would oppose the passage of the legislation. I thank you again for the opportunity to testify and I will answer any questions you have.

[The prepared statement of Mr. Hocker can be found at the end of the hearing.]

Mr. HANSEN. Thank you, Mr. Hocker. The gentleman from Oregon is recognized for five minutes.

Mr. COOLEY. Yes, Mr. Chairman, thank you. Mr. Williamson, I read your report and it is obvious that you people are of course very much interested in wildlife management. As you know, most States manage the wildlife. Do you really think that a State does a good job when it can't control the land in managing the wildlife?

Mr. WILLIAMSON. The division of power for managing wildlife on Federal lands is that the State is responsible for managing the wildlife but the Federal agency is responsible for the habitat.

If I understand this bill, the Federal lands would go into the State land agency which is entirely different from the Fish and Wildlife Agency.

Mr. COOLEY. Well, the Fish and Wildlife manage right now on State lands. The Fish and Wildlife, and they have some input into control of the land, so I was just saying that right now we have a separation and I was just referring to your testimony and your interest. I just wanted to know if you really think it is good to have the Federal Government controlling the land and the State controlling the habitat on the land, meaning mainly the wildlife?

Mr. WILLIAMSON. Yes, it has worked out very well. Over the years there have been cooperative agreements among the Federal agencies and the various States involved and I think they do a very fine job.

Mr. COOLEY. Well, not so well in my State. Another thing I wanted to ask you, you made a statement about a survey of economic research which shows that family income in counties with public lands is approximately $2,000 higher than income in counties without public lands. Could the Committee have a copy of your research that shows that?

Mr. WILLIAMSON. Sure.

Mr. COOLEY. I would like to see something that says that. And my last question to you is that how are you funded, sir?

Mr. WILLIAMSON. We are funded by money from the sporting arms and ammunition manufacturers in North America.

Mr. COOLEY. OK, do you have a financial statement, disclosure statement that is nonprofit?

Mr. WILLIAMSON. Yes.

Mr. COOLEY. Could the committee receive a copy of that please?

Mr. WILLIAMSON. Yes.

Mr. COOLEY. Thank you.

Mr. Lea, do you think the Taylor Grazing Act was a good law? Did you like it? I mean you referred to it, you brought it up and you said strengthen the concept of Federal management. Do you like the Taylor Grazing Act?

Mr. LEA. At the time it was a good law.

Mr. COOLEY. At the time?

Mr. LEA. I spent 30 years administering it and I am very familiar with it.

Mr. COOLEY. At the time. But now it is not a good law.

Mr. LEA. No, I didn't say that at all.

Mr. COOLEY. Well, you said at the time it was a good law. Would it be a good law today?

Mr. LEA. It needs to be updated and FLPMA has done a lot of that.

Mr. COOLEY. Well, we would like to see the Grazing Act come back into effect too, it would be very, very nice. It would help out a lot in the West. We were having some real problems. If we had that in place we would not have those problems today.

Do you feel that the Federal Government has ability to manage public lands better than the States do?

Mr. LEA. Well, I think the States could manage these lands as well as the Federal Government if they had the resources and the experience. They don't at this point in time. The land departments issue leases to the grazing permittee for the States, section 16s and 36. What management those State lands receive, they receive from BLM, the surrounding Federal lands.

Mr. COOLEY. So your answer is that the States are not properly managing their land now nor could they properly manage the other lands?

Mr. LEA. In most States the land departments do not have that responsibility. They issue a lease and that is it, to generate funds for the State land schools.

Mr. COOLEY. Well, every State that has State lands, manages their State lands, and they do it at the various ways that the Federal Government does as well. But your contention is they don't have the ability to do that?

Mr. LEA. No, I didn't say that. I said if given the resources they could do a fine job, as well as the Federal Governments. They don't have the resources.

Mr. COOLEY. OK. I will ask you the same question, sir. Are you a public corporation? Nonprofit?

Mr. LEA. Yes, we are. It is nonprofit.

Mr. COOLEY. Do you put out financial statements?

Mr. LEA. Yes, we do.

Mr. COOLEY. OK, would you provide me with a copy of your last one?

Mr. LEA. Surely.

Mr. COOLEY. I would like to see where your money comes from.

Mr. LEA. Surely. It comes from membership only.

Mr. COOLEY. OK, I would like to see that if you don't mind since it is a public document. Mr. Hocker, I read your report. Boy, I will tell you, I am not sure what country you come from, but right now the States have managed their public lands and they allow leasing, they allow patents on mineral rights, et cetera. Do you really think it should be exclusive control just by the Federal Government to manage public lands?

Mr. HOCKER. Sir, there are about eight questions there.

Mr. COOLEY. Well, just answer one because I don't have a lot of time. I have to ask the Chairman for one more minute, but right now States manage State lands in the same manner that Federal Government is managing Federal lands. You do not believe they have the capacity to handle any additional lands that might be given to them?

Mr. HOCKER. Unfortunately, I don't think that is an accurate premise. The States, as have been brought forward by many speakers today, manage their lands with different mandates, many objectives that Congress has created for the management of the Federal lands are not objectives that the States are obligated to fulfill. So I don't think we should be surprised that the management by the BLM and Forest Service and Park Service have different costs and involve different paperwork and different impediments because those agencies are trying to preserve antiquities which we believe are an important resource for the heritage of the country——

Mr. COOLEY. And you don't think States are trying to do that?

Mr. HOCKER. Excuse me, sir?

Mr. COOLEY. You don't believe States are trying to do that?

Mr. HOCKER. Well, but you stated that they were managed for the same purposes and I am trying to clarify. I don't believe that is correct.

Mr. COOLEY. OK, fine. I imagine you are very familiar with H.R. 2032, where in there do you find, in your testimony you are talking about if we turn these lands over to the States that our natural resources are reserved from time of crisis, war, et cetera, would preclude the national security. Where does it say in the transfer of this that the President or Congress still would not have the right to reserve resources for national emergency? Where do you find that in the bill?

Mr. HOCKER. The bill is devoid of any instruction on how the resources that would be transferred to the States should be protected, how their revenues should be used, and what purposes they should be used for.

Mr. COOLEY. And the last question, if you would indulge me, Mr. Chairman?

Mr. HANSEN. Would you rather go through your questions or do another round?

Mr. COOLEY. I would rather just go through——

Mr. HANSEN. Just go through the questions.

Mr. COOLEY. In your statement, the very last on page number 5, you talk about the threat to national security. Now, I know you are reaching and you don't like this particular bit of legislation and I read your statement over national security. I think that that statement is, I can't even think of the word without being vulgar. I think that your statement in that part of your testimony is so far out of base that I cannot believe it. I mean, these lands are going to be there. The States are not going to pillage and rape the land. The States are not going to do anything to degradate the ability of this country to have a national security. It is to their interest as well.

To make a statement that if any land, public land, being Federal land, is turned over to the States that we are going to in some way put the country in peril is absolutely irresponsible. I just can't even believe it. You know, I wish I had more time because I would really like to take you to task on this, but I don't. Sometime give me the opportunity and we will really go at this because you are so far out of line it isn't funny.

You know, there is such a thing as communism, socialism, you are somewhere in between there, that absolutely is not true. Absolutely not true. Whenever you can come here before Congress and tell us if we take a piece of land and give it to the States that in someway or another we are going to impale this country and make us susceptible to foreign powers, it is just far out of whack. I don't even know where you came from with that. I don't know what you were doing when you wrote this up, what your committee was doing. But that is wrong.

States and the people in this country are responsible. We want to manage this land as well as anybody. We feel, at least some of us in this Committee feel, that States are responsible and they can do a good job. They are doing a good job now.

We, at the Federal level, are doing a very poor job. It is costing us money. In my State alone, we are not cutting any more things. In fact, actually you are subsidizing my State because we are not cutting any timber anymore on our O and C land which is costing this country about $10 million dollars a year trying to compensate because of people who have thought or views that we should not touch anything, that the Federal Government can do it better than anybody. And that is wrong. It is absolutely wrong.

People are responsible. People are good and they can do it. And we have made mistakes before, but when we do, we certainly get it corrected very quickly. Thank you, Mr. Chairman, for your time.

Mr. HANSEN. Thank you. Maybe we can arrange for the gentleman from Oregon and Mr. Hocker to appear on Firing Line together. It should be very interesting. The gentlelady from Idaho.

Mrs. CHENOWETH. Thank you, Mr. Chairman. Mr. Lea, I was interested in your testimony. What is your background?

Mr. LEA. I went to school at Moscow.

Mrs. CHENOWETH. Idaho?

Mr. LEA. Right.

Mrs. CHENOWETH. I just wanted to get that clear.

Mr. LEA. That is right. I have a degree in forestry.

Mrs. CHENOWETH. And you graduated from the school of forestry in Moscow. And then what did you do?

Mr. LEA. I started with the Bureau of Land Management, worked for the Forest Service, prior to that and I started with the Bureau in Baker, Oregon, worked in Oregon, and Colorado and then Washington. Worked with the Forest Service in Idaho, Montana.

Mrs. CHENOWETH. You have had a very interesting career. You very correctly mentioned the fires in my State.

Mr. LEA. Yes.

Mrs. CHENOWETH. And they have been really tragic.

Mr. LEA. My wife is from Glens Ferry.

Mrs. CHENOWETH. Gosh, we have got one over by Quail Hollow.

Mr. LEA. Right. Those fires are down by Kuna, I believe.

Mrs. CHENOWETH. Yes, and that took 10,000 acres. The one at Quail Hollow, we don't have a beat on how big that is growing. But the one at Twin Buttes which isn't too far away, 15,000 acres; another one at Emmett, 200,000 acres. And these are BLM lands. Plus two lives. And I know if you were the Director there now, it would grieve you.

Mr. LEA. Right.

Mrs. CHENOWETH. My point is that lightning doesn't just strike on BLM lands. And as you know in Idaho every 16th section is dedicated to school endowment lands. And so we get a good reading on the difference in management of our State lands and our BLM lands. One of my biggest concerns and I hope that we can receive the benefit of all of your knowledge and training and experience, is that the BLM fires tend to grow almost out of control before we are able to put anyone on the fire lines whereas in the States we get there with the mostest first and try to get the fire out when it is small.

I want to mention Mr. Magagna's testimony. It is outstanding. Your second paragraph is something that is right on point. And it is something that we must take into consideration in the bill.

And I thank you for your testimony. I am not going to ask for any further comment, but it is extremely good. I also want to ask Mr. Lea based on his experience in the BLM, you know we have two Acts, the Desert Land Entry Act and the Carey Act, and as far as I know they have never been repealed.

Mr. LEA. That is true.

Mrs. CHENOWETH. But weren't those Acts proposed for us to be able to settle the BLM lands or those vacant and appropriated Federal lands which, as you or Mr. Williamson correctly pointed out, until FLPMA came along and FLPMA said well we own it now and so that is it. We said it. The Congress said it. We own the land. That is it. Which I think is wrong. I don't think the Federal Government can say we own somebody else's land but that is another discussion for another day.

But nevertheless, it has been envisioned throughout time with various Acts including Carey Act and Desert Land Entry Act, but we are able to get people out on the land to manage the land and be the good stewards that they should be. Can you give me an idea, Mr. Lea, why the Carey Act has not succeeded? Why it was just ignored by the agency?

Mr. LEA. Well, I don't know that the agencies ignored it. There has been quite a bit of activity on it with DLE, Desert Land Entry and Carey Act in Idaho and some in Nevada. But as you know, the law is a disposal law. It is still on the books. You have to acquire water. You have to irrigate this land and you know as well as I do there is not much water left, that is available. I would say that that is the limiting factor. Why there isn't more land homesteaded under the DLE and the Carey Act is a lack of water.

Mrs. CHENOWETH. You know, in Idaho we did have sufficient water claims for application for Desert Land Entry and Carey Act claims. We just couldn't get it through the agencies.

Mr. LEA. There were some lands that were homesteaded and went to private ownership, I don't know the figures, but that law is still on the books. That is one of those few laws that FLPMA did not delete.

Mrs. CHENOWETH. You know, I do want to say for the record, I don't think that the Congress can say that the vacant unappropriated Federal lands which meant that in the Admission Act of the 12 western States we were given the right to own the land, that the Congress can saw through FLPMA, oops, now we own it by a stroke of the pen. But, you know, that is another discussion. It may eventually be resolved in the courts.

Mr. Baughman, the information that you have put together is exceedingly interesting. Time limits my ability to ask you questions about it, but I would like to talk to you. I would like to study your reports. There are many concepts and factors that I would like to see how you dealt with them in your report in Nevada, so could you make sure that I get a copy? Thank you so much.

Mr. HANSEN. Thank you very much. The gentlelady from Wyoming, Mrs. Cubin, is recognized.

Mrs. CUBIN. Thank you, Mr. Chairman. I want to start with Mr. Baughman. There has been a lot of discussion today that only a few States, two or three, would benefit economically from deciding to take the lands if this bill were to pass. Do you think that the States would base their decision on more than just economic reasons?

Mr. BAUGHMAN. Yes, I do. Although that might not always be apparent. For example, the city of Las Vegas might base its decision to support a governor's initiative to accept the Secretary's invitation on the assumption that they will better be able to control growth and provide services in their metropolitan area because they won't have to worry about leapfrog growth induced by BLM land transfers.

Now, that may not appear to be an economic reason, but in reality it is somewhat of a fiscal economic reality to them. A local community may support it from a local government control perspective. And it may seem more an ideological kind of an issue for them but for many of these local governments it is a matter of economic survival.

I think by and large they will be motivated by reasons of economic issues.

Mrs. CUBIN. Thank you. I agree with you. Some might be more subtle reasons as you pointed out, but I was interested that Mr. Lea stated that the States didn't have the resources to manage the land. The Federal Government has a $4.5-trillion debt. Why do you think the Federal Government can more afford to manage the land with a $4.5 trillion debt than the States?

Mr. LEA. Well, I don't know that that is the question before us here——

Mrs. CUBIN. Well, you made the statement that the Federal Government could afford to manage the lands but the States didn't have the resources to do it. You didn't say the first part—that was implied—but you said that the Federal Government should continue to administer the lands because the States don't have the resources to do it.

Mr. LEA. That is true.

Mrs. CUBIN. Well, with the $4.5 trillion debt, how can you justify that statement?

Mr. LEA. Well, in reality, you will find that there might be a net, a small net savings when you compare their income, their revenues versus the appropriations. They are not paying their way now, so there is a slight improvement there for the Federal Budget standpoint. Some savings. But the States don't have the resources to manage the lands today. They would have to get the resources.

Mrs. CUBIN. We don't have them either.

Mr. LEA. That is right, exactly.

Mrs. CUBIN. Mr. Baughman, his testimony was contrary to what you are now saying.

Mr. LEA. Well, I am suggesting that you have touched the reality and the reality is that outside of perhaps Wyoming and New Mexico, the rest of the States, Idaho, Colorado are going to say OK we will take them but we have got to have the money. We need to have a Federal grant to manage them because we don't have the resources.

Mrs. CUBIN. Well, you have no way of knowing that, Mr. Lea, nor do I.

Mr. LEA. No, I know I don't. But I am saying, I am agreeing with you that the States don't have it. Now someone has to have it or as has been said here today, will sell them. And if you think about that, if I might add this, at one time and it is probably very close to being true today, of the number of livestock permittees that have permits on BLM lands, roughly 90 percent of the use is held by 10 percent of the users, and 10 percent of the users hold 90 percent of the AUM, so the profile is a lot of small ranchers with small operations, but very few operated with big operations. And it is the big folks, and the corporations who look upon this bill as an opportunity, one step closer toward private ownership.

Mrs. CUBIN. I think that is a philosophical discussion, whether or not who should own the land. Whether it should be the citizens of a country or whether the government should own the land. That is a philosophical discussion.

Mr. LEA. Well, I am just saying that is what is going to happen. It is probably right that the private owners do own all this land.

Mrs. CUBIN. Oh, when you consider the stability of the tax base and so on, I think there are a lot of reasons, but I guess you and I won't agree on that and that is fine.

I will ask you one further question and then I want Mr. Magagna to answer this also please. Who do you think truly promotes multiple use of the land more? The Federal Government or the States? I mean, honestly.

Mr. LEA. My experience with the State Land Departments is that most State Land Departments have one objective and that is generating revenue. Period.

Mrs. CUBIN. And they don't care about the environment.

Mr. LEA. Very little.

Mrs. CUBIN. That simply is not true.

Mr. LEA. But as a matter of fact they simply write a lease——

Mrs. CUBIN. That is simply not true. That the States don't care about anything but money. I won't accept that as an answer and I am going to move on and ask Mr. Magagna. Who do you think truly tries to promote multiple use more? Would you agree with Mr. Lea?

Mr. MAGAGNA. To some degree I do agree with Mr. Lea, but for a very different reason. Now what he says is true about the State lands because the lands we are talking about, the so-called trust lands, were given to the State by the Federal Government with a very clear mandate in our Acts of Admission that they be managed for that purpose.

Mrs. CUBIN. That is right.

Mr. MAGAGNA. What is happening here though is that people are taking that mandate and attributing it to determining how States would manage the BLM lands under this legislation. And I think that is where the serious mistake is made. I can only speak for the State of Wyoming. We are committed to the principle of multiple use of our natural resources because our economic base depends upon that multiple use. And we would therefore be very committed. I believe as committed but more able in our administration to carry out the multiple use mandate than the Federal agency.

Mrs. CUBIN. Thank you. I gather from your testimony and that of Mr. Jamison that the ten-year window for transferring the land is too long. What do you believe is a better time? I didn't catch that in your testimony.

Mr. MAGAGNA. If it were not for some of the budgetary constraints, I believe that once a governor has made the election provided for under the legislation, reasonably, no less than two years and no more than ten. And let the governor of the State within that timeframe make the determination of when they want to actually take over the control and management. I say that because the circumstances will differ in the various States in terms of the resources they have available, in terms of their need to pass State legislation to put them in a position to take over that management. We are fortunate in Wyoming that we have that legislation in place. We are fortunate as nearly everyone has noted here today that because of the tremendous resources on these lands, financial constraints would not be an inhibition to us. Other States may need more lead time to prepare for a takeover, to plan for the management of these lands. That ought to be a State decision.

Mrs. CUBIN. So just more flexibility?

Mr. MAGAGNA. More flexibility.

Mrs. CUBIN. Yes. This is the last question that I have and I am going to read the question because I want to make sure that it is clear. And what I want is sort of an overall discussion of management of lands by the State. That is how I want you to gear your answer.

As you are no doubt aware, counties in Wyoming and throughout the West rely on PILT, payment in lieu of taxes, payments for various infrastructure projects. Obviously, if the Federal lands were turned over to the State, these funds will no longer be available, the PILT fund. Can you tell me what feedback, if any, that you have gotten from Wyoming counties about this aspect of the legislation and have you given any thoughts to what States can or should do to make up for this PILT?

Mr. MAGAGNA. Let me answer the first part of that question by saying that I have not to this point personally been told by any counties, by any county commissioners, that they objected to this legislation because of the potential loss of PILT payments. I am sure that is a very legitimate concern because those are significant moneys to some of our counties in Wyoming.

The answer I think is much simpler. The PILT payment is a payment from the owner of these lands, the Federal Government, to the counties in lieu of the counties being able to tax those lands. I see no reason, although I think perhaps would take legislation in Wyoming's case, why a PILT payment cannot continue in the same manner as a payment from the State to these same counties in lieu of these lands being sold into private ownership and put on the tax rolls.

Mrs. CUBIN. Thank you. I don't have anything further, Mr. Chairman.

Mr. HANSEN. I will recognize the gentlelady from Idaho for one additional question.

Mrs. CHENOWETH. Thank you, Mr. Chairman. Mr. Baughman, I have one question. If oil and coal and gold and silver were left in the ground, what kind of value would it have?

Mr. BAUGHMAN. Left in the ground?

Mrs. CHENOWETH. Left in the ground. To the United States of America. What kind of value? How would it generate value left in the ground?

Mr. BAUGHMAN. I don't know. I would assume some future generation to have some security that it is there. It certainly doesn't provide any current economic value.

Mrs. CHENOWETH. Well, in your studies isn't it true that a mineral obtains value when it is brought out of the ground and is put into the market place?

Mr. BAUGHMAN. That is correct.

Mrs. CHENOWETH. Thank you.

Mr. HANSEN. We appreciate you being here. I think the testimony has been very interesting throughout the day. As usual, people come in here with strong opinions and go out realizing that there are other folks that have different opinions on a lot of things. Everyone should serve in a legislative body or even the city council to find out that what they believe and what they tell their children around the dinner table, when their kids are under ten anyway, that maybe someone else has another opinion also.

I do appreciate what you have stated. I am not taking issue with any of you. I do think that some things have to be put in perspective. Mr. Hocker brought up some very interesting points, $3.29 trillion is a staggering fund. That doesn't accrue to the United States, however. The filing fees, that is not filing fees, that is obviously the value of this and although it directly accrues as filing fees and then taxes and expenditures and all that type of thing.

And we don't get too much around here on semantics and give back I guess you would be correct in that. There is probably, but we are not getting back things. But, you know, I think someone could even make an argument on that. And that is, and I don't mean to wax Utah in here, but at one time that was the State of Deserette, it was not the State of Utah.

The State of Deserette took in things from Canada, all of Idaho, most of Montana, most of Wyoming, the west half of Colorado, the State of Nevada, most of Arizona and the other areas, and the Federal Government recognized that "the same as they did a treaty with the Indians." Now today we recognize treaties with the Indians. In fact, more BYU law students have made millions of dollars out of that than any other bunch I have ever seen and I say that not too respectfully, but anyway, if you accept that premise, they recognize that as a treaty the same as they did the Indians, and now we are asking to take that land back, that would be honoring that treaty which in effect would be giving it back. Pretty bad argument but about like yours, I guess, so we will go from there.

Anyway, no, I say that respectfully. Anyway, Mr. Hocker, Mr. Baughman, Mr. Lea, Mr. Williamson, Mr. Magagna, how nice of you to come and we know it is a great expense for you to be here and we do thank you. I appreciate your patience. There is nothing as bad as being the third panel on one of these things and thank you so very much for your time. We honestly and sincerely appre-

ciate it. And if you do have comments on these things, there is nothing sacred about this, we are not putting it out as it came from God, this is just our puny little man did this, so we would love to hear from him. And this hearing is now adjourned.

[Whereupon, at 1:51 p.m., the subcommittee was adjourned, and the following was submitted for the record:]

I

104TH CONGRESS
1ST SESSION

H. R. 2032

To transfer the lands administered by the Bureau of Land Management to the State in which the lands are located.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1995

Mr. HANSEN (for himself, Mrs. VUCANOVICH, Mrs. CUBIN, Mr. COOLEY, Mr. POMBO, Mr. DOOLITTLE, Mr. HERGER, Mr. SKEEN, Mr. STUMP, and Mr. ALLARD) introduced the following bill; which was referred to the Committee on Resources

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A BILL

To transfer the lands administered by the Bureau of Land Management to the State in which the lands are located.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRANSFER OF BUREAU OF LAND MANAGEMENT LANDS.

(a) REQUIRED OFFER.—

(1) IN GENERAL.—Subject to valid existing rights and except as otherwise provided in this Act, the Secretary of the Interior shall offer to transfer all right, title, and interest of the United States in

and to all lands and interests in lands administered by the Bureau of Land Management to the State in which such lands and interests are located.

(2) LANDS AND INTERESTS INCLUDED.—The lands and interests in lands referred to in paragraph (1) include—

(A) the fee simple interest where the United States owns both the surface and mineral rights;

(B) the mineral rights where the surface estate is owned by a non-Federal person, including a State or political subdivision thereof; and

(C) water rights related to such lands or interests.

(3) EXCLUSION OF MINERAL INTERESTS UNDERLYING INDIAN RESERVATIONS.—Paragraph (1) does not apply with respect to the mineral interests underlying a surface estate held by the United States in trust for an Indian tribe.

(b) TWO-YEAR PERIOD TO MAKE OFFER TO GOVERNOR.—The offer required by subsection (a) with respect to a State shall be made to the Governor within two years after the date of the enactment of this Act.

(c) ACCEPTANCE OF OFFER.—A State may only accept the offer of all such lands or reject such offer. Acceptance of an offer under subsection (a) may only be made by the Governor, in writing to the Secretary.

(d) EFFECTIVE DATE OF TRANSFER.—Any transfer of lands under this Act shall be effective with respect to a State on the date which is ten years after the date on which the offer to the Governor is accepted.

(e) SURVEYS.—The Secretary is not required to conduct a survey of any lands prior to transferring such lands under this Act.

SEC. 2. LEASES, PERMITS, AND UNPATENTED MINING CLAIMS.

(a) VALID LEASES AND PERMITS.—Each State receiving lands under this Act shall honor valid existing leases and permits on such lands for the term of such lease or permit and shall manage such leases and permits in accordance with their other terms and conditions.

(b) MINING CLAIMS.—(1) Except for those mining claims for which the holder is entitled to a patent as provided in paragraph (2), after the date on which lands subject to a mining claim are transferred to a State under this Act, the validity and continued existence of the mining claim shall be determined under the laws of the State to

which the lands were transferred and shall be administered in accordance with such laws.

(2) The holder of a mining claim is entitled to the issuance of a patent in the case of a mining claim on lands transferred to a State under this Act in the same manner and degree to which such holder would have been entitled to prior to the date of such transfer if, as of the date of the transfer a patent application was filed with the Secretary and all requirements—

(A) under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims;

(B) under sections 2329, 2330, 2331, and 2333 of the Revised Statues (30 U.S.C. 35, 36, 37) for placer claims; and

(C) applicable to such patent application for mill site claims,

were fully complied with.

(c) RIGHTS-OF-WAY.—Each State receiving lands under this Act shall respect all rights-of-way granted by the United States on such lands in accordance with the terms and conditions of the rights-of-way.

SEC. 3. MANAGEMENT OF LANDS TRANSFERRED BY THIS ACT.

(a) WILDERNESS.—Lands transferred by this Act which have been designated by an Act of Congress as wilderness shall be managed by the State as wilderness in accordance with the requirements specified in the Wilderness Act, the Act of Congress which designated the lands as wilderness, and any other Act of Congress which specifically provides for the management of such lands, except that the State shall be substituted for the Secretary of the Interior.

(b) MILITARY USES.—(1) Lands transferred by this Act which on the date of such transfer are subject to use for military purposes shall continue to be subject to the same military uses.

(2) In the case of lands transferred to a State under this Act which are subject to a withdrawal from public use for military purposes, the State shall respect the withdrawal and military use for the term of the withdrawal and may not impose any fee or other charge on the United States with respect to the military purpose. At the end of such term, the Secretary of the military department concerned, or the Secretary of Defense, may negotiate with the Governor of the State for the continued use of such lands. Lands for which there is not a continued military use shall be decontaminated by the appropriate Sec-

retary in accordance with the Act of Congress which withdrew such lands for military purposes or the withdrawal order, if any.

(c) RECORDS.—The Secretary of the Interior shall continue to hold all land records of the Secretary with respect to the lands transferred to a State under this Act. The Secretary shall provide to the State full copies of all applicable land records relating to lands which are transferred under this Act. The Secretary shall make such records available for public use as the Secretary determines appropriate.

(d) INDIAN LANDS.—The mineral interests described in section 1(a)(3) shall be transferred from the administrative jurisidiction of the Bureau of Land Management and shall be held in trust for the Indian tribe for whom the overlying surface estate is held in trust.

SEC. 4. WATER RIGHTS.

(a) IN GENERAL.—The Secretary shall transfer to the State receiving lands under this Act all water rights of the United States associated with the lands.

(b) CERTAIN RIGHTS NOT AFFECTED.—A transfer of water rights under subsection (a) shall not be construed as—

(1) affecting, impairing, diminishing, subordinating, or enlarging—

(A) the rights of the United States or any State to water under any international treaty, interstate compact, or existing judicial decree;

(B) any obligation of the United States to Indians or Indian tribes or any claim or right owned or held by or for Indians or Indian tribes, including with respect to any Indian water compact;

(C) any right to any quantity of water reserved or used for governmental purposes or programs of the United States at any time prior to the date of the enactment of this Act; or

(D) any license or permit issued before the date of the enactment of this Act; or

(2) as a recognition, disclaimer, relinquishment, or reduction of any water right of the United States reserved or appropriated before the date of the enactment of this Act.

SEC. 5. REDUCTION IN BUDGET AUTHORITY FOR THE BUREAU OF LAND MANAGEMENT.

(a) CAP ON OBLIGATIONS AND EXPENDITURES.—Beginning with the fiscal year in which this Act is enacted, not more than $800,000,000 may be obligated or expended in any fiscal year by the Bureau of Land Manage-

ment in carrying out its duties, functions, and responsibilities under any provision of law.

(b) PRIORITY FOR USE OF FISCAL RESOURCES.—The Secretary shall give priority to expending amounts available to the Bureau of Land Management to land management activities and to carrying out this Act.

SEC. 6. DEFINITIONS.

As used in this Act—

(1) the term "Indian tribe" means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or regional corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and

(2) the term "Secretary" means the Secretary of the Interior.

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BRIEFING PAPER ON H.R. 2032

SUMMARY

H.R. 2032, introduced by Congressman Hansen would provide for the voluntary transfer of Bureau of Land Management (BLM) lands to the States.

BACKGROUND

Virtually all of the land west of the Appalachians was, of course, once public domain. At every stage of the nation's growth, the expansion of the economy into the territories to the west was desired and encouraged by the populated states to the east. From the beginning it was expected that as territories became states ownership of the land would devolve, by mechanisms adapted to conditions, to the people of those states.

For the first half-century of the Republic, public lands were sold and the government realized revenues from the sales. Public land was also given to individuals as compensation for services-for instance, military veterans were given lands-and to corporate entities as incentives for enterprises, including canal and railroad builders.

By the middle of the 19th century, however, circumstances had changed, and the idea gained ground that the public interest would be better served if parcels of the public domain were made available free to settlers. The watershed in the history of westward settlement was the Homestead Act of 1862: settlers were to get clear title to enough land for modest but viable family farms if they would just live on it and work it.

East of the Rockies, a homestead farm was usually a quarter section. But in the basin-and-range country, where there's no water in the basins and no top soil on the ranges, livestock grazing is the only kind of enterprise that can succeed. And, even for that, a quarter section can only support one or two cows. However, for Congressional Members accustomed to the fertility of the East and Midwest, a parcel of land bug enough for a modest-but-viable family ranch was just too big to be deeded over to a homesteader.

There were several other attempts at promoting the settlement of arid western lands such as the Forest Homestead Act of 1906, the Enlarged Homestead Act of 1909, the Stock Raising Homestead Act of 1916 and the Timber and Stone Act of 1878 and the Desert Land Act of 1877. Although these various attempts at promoting settlement resulted in millions of settled acres, the fact remained that there was insufficient water, people and technology to fully settle the arid basin and high deserts of the Rocky Mountain West.

Across the West, there is a growing discontent with the quality of federal land management on top of a general alienation from the Washington political environment. Federal lands make up 83% of Nevada; 68% of Alaska; 67% of Utah; 62% of Idaho and 44% of California. There is more federal land in California than the total area of either Oregon or Washington. Federal lands comprise a full 48% of the land area of the eleven Western-most lower 48 states.

This enormous federal presence is not based on any special relationship between the federal government and the states. In fact, most matters decided by federal administrators of this vast domain, like recreational or grazing use, would be state and local issues elsewhere in the U.S. In the rural West, the federal government effectively functions as a local planning and zoning board.

There have been past attempts to transfer federal lands to the states outside of the above cited Congressional efforts. In 1930, the Hoover Administration offered some lands to the Western states but proposed to retain the mineral rights. The offer was rejected during a time that many states were really still in their childhood and at a time when economies were less than stable.

The issue was raised again in the so-called Sagebrush Rebellion of the late 1970's and early 1980's when Western state legislatures passed resolutions asking for the transfer of federal lands. But the effort began focusing on "privatization" rather than on state ownership and the effort failed.

Today, the political and economic forces supporting a transfer of federal lands to the states are much broader than during the Sagebrush Rebellion. There is a firmer base of intellectual support. As the 1994 election results show, a political majority in the U.S. wants to cut back the role of the federal government. In fact, the possibility of transferring of transferring federal lands is greater than ever before.

The leading candidates for transfer are the 268 million acres, mostly in the West, managed by the Bureau of Land Management (BLM). The BLM was established in 1946, combining the old General Land Office and the federal Grazing Service, to manage lands never included in earlier systems like national parks or forests. Including the subsurface mineral estates, the BLM has jurisdiction over 732 million acres.

The combination of an effort by the states to reclaim their "states" rights and efforts to cut federal costs, the idea of transferring BLM lands is ripe for Congressional exploration. Attached are several charts outlining the acreage owned by the Federal Government and more specifically the BLM. Additionally, attached are charts demonstrating the costs and receipts from BLM lands. Overall, this data demonstrates that as time goes on, the federal government subsidies in most states become greater.

Several recent studies demonstrate that there are large economies to be gained by state management of these lands. The federal government has a much higher overhead, produces fewer revenues than states and does a poorer job environmentally of managing those lands.

ANALYSIS

H.R. 2032 would establish a process through which the lands administered by the BLM could be transferred to the respective states. Subject to valid existing rights, the Secretary of Interior is directed to offer to transfer all right, title and interest in the BLM lands to the state in which the lands are located. This transfer includes both surface and subsurface interests managed by the BLM and all water rights. The only mineral interests not transferred are those underlying federal lands not managed by the BLM.

The Secretary has two years in which to make the offer and the State must accept all lands or reject the offer. The lands will be transferred ten years after acceptance of the offer is received. This ten-year period will enable the individual states to establish their management structures and policies and will permit the BLM to phase out their operations. Moreover, the ten year period will allow for all permits and most leases to expire at least once so that interested parties can rearrange their contractual lives with the knowledge that they will be under state management on a date certain.

Upon acceptance, the states must honor all valid existing leases and permits for the term of those rights and the state must manage the lands in accordance with those leases and permits. Except for mining claims that have been patented, the validity and continued existence of other claims would be determined under the laws of the state. A claimant is entitled to a patent if all requirements for a patent have been met prior to the transfer. The state must also respect all rights-of-way granted by the United States.

Section 3 of the bill requires that all lands previously designated as wilderness under the 1964 Wilderness Act must be managed as wilderness by the state. Any lands transferred which are subject to military uses shall remain available for those uses. Future military uses would be negotiated with each state.

Mineral interests located under Indian lands would be transferred to the tribe for whom the overlying surface estate is held in trust. All water rights are transferred to the state except for rights associated with interstate compacts, international treaties or by judicial decree. Moreover, water rights held by Native Americans or a permittee or a lessee must also be honored by the state. Lastly, H.R. 2032 would reduce the budget authority of the BLM to $800 million, which is $400 million below the current funding level. The agency is also instructed to expend those funds on land management activities and on carrying out the mandates of H.R. 2032.

ADMINISTRATION POSITION

The Administration is expected to vehemently oppose H.R. 2032. In fact, the BLM will release on Monday, July 31st a report which catalogs all of the great things the BLM does for the public. The report looks conspicuously like self preservation and lobbying against H.R. 2032.

CREDITS

The above information comes largely from "Western Ranches, Midwestern Farms", Malcolm Whatley, Range Magazine, Spring 1993 and "Transferring Federal Lands in the West to the States: How Would it Work?", Robert Nelson, Points West Chronicle, 1995.

FINANCIAL SAVINGS

The BLM takes great strides to stress all of the benefits they bestow on the states. In 1993 the BLM lost $112 million over what they earned from resource development. Indeed, the BLM only made money in Wyoming, New Mexico and Colorado. In all other states, the BLM was subsidized. The key to this legislation is the ability of state government to manage these lands more efficiently and effectively than the Federal government. Certainly, this would be a difficult decision for several states to make; however, recent studies do demonstrate that there are substantial economies to be had through state management.

STAFF CONTACT: Allen Freemyer, x67736

Congressional Research Service • The Library of Congress • Washington, D.C. 20540

Memorandum July 28, 1995

TO: House Committee on Resources
Attn: Allen Freemyer

FROM: Ross W. Gorte
Specialist in Natural Resources Policy, and
Head, Oceans and Natural Resources Section
Environment and Natural Resources Policy Division

SUBJECT: BLM Revenues and Expenditures

This memorandum responds to your request for data on revenues and expenditures for the Bureau of Land Management (BLM). It presents data for FY1993, the most recent comprehensive data available; it is unclear whether FY1993 is representative or unusual in either costs or revenues. Table 1 displays the net returns to the U.S. Treasury from the BLM for its land and resource management and from the Minerals Management Service (MMS) for its collections from mineral leases on BLM lands.[1] Tables 2 and 3 show the gross revenues, the required revenue-sharing, the relevant management costs, and the net returns for the BLM and MMS, respectively. These tables are followed by two appendices. Appendix A identifies the sources of revenues from the two agencies, while appendix B details the various cost adjustments necessary to translate BLM appropriations into relevant land and resource management costs.[2]

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[1]Totals reported in the tables may differ from the totals calculated from the data presented, because of rounding error. The data reported for Oregon includes BLM revenues and expenditures in the State of Washington, because of the relatively few BLM lands in the State of Washington and because these lands are administered from the BLM's Oregon State Office. The Eastern States entry includes all BLM revenues and expenditures in the States not listed, except for the Washington, DC, Office costs.

[2]For example, BLM administers all Federal mineral rights, regardless of the owner or administrator of the surface, and thus has expenditures related to mineral activities in the national forests, under other Federal lands, and under State and private lands where the mineral rights are Federal. Since such expenditures are not related to the management of BLM lands, they should be deducted from BLM appropriations to provide the most accurate comparison of BLM land and resource management revenues and costs possible.

For FY1993, resource management of BLM lands generated a "loss" for the U.S. Treasury. Two States -- Wyoming and New Mexico -- generated substantial surpluses. Colorado and the Eastern States also generated small surpluses in FY1993, while Montana had a relatively small loss. The other seven States had substantial losses. The potential to reverse the losses varies widely; BLM lands in States with substantial revenues and/or where revenues are a substantial fraction of costs probably have the greatest opportunity to generate a surplus. In three States -- California, Oregon, and Utah -- the revenues (net of revenue-sharing) were substantial and more than half the expenditures. Another two States -- Idaho and Nevada -- had net revenues that were only a third of FY1993 expenditures. The remaining two States -- Alaska and Arizona -- had management expenditures that far exceeded net revenues in FY1993. This is not to suggest that States could not administer these lands profitably if Congress allowed State management or ownership of BLM lands, nor is it an estimate of future financial results of resource management on the BLM lands. Rather, it simply shows the financial results of BLM land management in FY1993.

If you have any questions about these data, please do not hesitate to call me at 7-7266.

Table 1. Aggregate Returns to the U.S. Treasury From BLM Land and Resource Management, FY1993 (in millions of dollars; losses in parentheses)

	BLM Returns	MMS Returns	Aggregate Returns
Alaska	(83.164)	0.103	(83.061)
Arizona	(38.444)	0.087	(38.357)
California	(48.681)	19.369	(29.312)
Colorado	(31.873)	32.501	0.629
Idaho	(13.932)	2.012	(11.920)
Montana	(26.606)	21.516	(5.090)
Nevada	(47.341)	7.397	(39.944)
New Mexico	(40.973)	133.184	92.210
Oregon	(48.383)	0.062	(48.321)
Utah	(42.093)	29.546	(12.547)
Wyoming	(44.830)	194.872	150.042
Eastern St.	(11.539)	14.726	3.187
DC Office	(90.150)	0.000	(90.150)
Total	(568.007)	457.495	(112.634)

Table 2. BLM Net Returns to the U.S. Treasury, FY1993
(in millions of dollars; losses in parentheses)

	BLM Gross Revenues	Revenue-Sharing	BLM Costs	BLM Net Returns
Alaska	0.501	0.026	83.639	(83.164)
Arizona	2.450	0.250	40.644	(38.444)
California	8.980	0.362	57.298	(48.681)
Colorado	2.808	0.209	34.472	(31.873)
Idaho	3.375	0.264	17.043	(13.932)
Montana	4.614	0.729	30.490	(26.606)
Nevada	10.837	1.045	57.133	(47.341)
New Mexico	5.174	0.783	45.364	(40.973)
Oregon	147.416	70.006	125.793	(48.383)
Utah	3.009	0.238	44.865	(42.093)
Wyoming	4.764	0.852	48.741	(44.830)
Eastern St.	0.461	0.098	11.902	(11.539)
DC Office	0.000	0.000	90.150	(90.150)
Total	194.390	74.862	687.535	(568.007)

Table 3. MMS Net Returns to the U.S. Treasury
From BLM Lands, FY1993
(in millions of dollars)

	MMS Gross Receipts	Receipt-Sharing[a]	MMS Costs	MMS Net Returns
Alaska	5.303	4.773	0.427	0.103
Arizona	0.195	0.097	0.010	0.087
California	44.853	22.426	3.058	19.369
Colorado	74.850	37.425	4.924	32.501
Idaho	4.731	2.365	0.354	2.012
Montana	49.870	24.935	3.419	21.516
Nevada	16.942	8.471	1.074	7.397
New Mexico	298.138	149.069	15.885	133.184
Oregon	0.230	0.115	0.053	0.062
Utah	67.949	33.975	4.429	29.546
Wyoming	421.233	210.616	15.745	194.872
Eastern St.	31.672	15.836	1.110	14.726
Total	1,015.965	507.983	50.488	457.495

[a] MMS does not report revenue-sharing by land ownership; these payments were calculated at 50 percent of revenues, as required by the Mineral Leasing Act of 1920 for mineral revenues from public domain lands (the vast majority of BLM lands), except in Alaska, where the Alaska Statehood Act of 1958 increased the revenue-sharing to 90 percent of mineral revenues.

APPENDIX A: REVENUES FROM RESOURCE MANAGEMENT ON LANDS ADMINISTERED BY THE BLM

BLM collects revenues from some mineral leases and permits, from the sale of timber and of lands and materials, from grazing leases and permits, and from various other sources, such as fees and commissions, rights-of-ways, and rents. The FY1993 BLM revenues, from *Public Land Statistics, 1993*, are shown in table 4.

MMS collects royalties from mineral leases and other payments unrelated to production levels (bonus bids, rents, etc.). Published MMS data do not distinguish revenues by landowner category; however, revenues from mineral leases on lands administered by BLM (separate from other Federal lands and mineral rights) were available from the MMS office in Denver, Colorado. The mineral lease collections from BLM lands, by type of lease, are shown in table 5.

Table 4. BLM Revenues By Source, FY1993
(in millions of dollars)

	Mineral Leases	Timber Sales	Land Sales	Grazing Fees	Other	BLM Total
Alaska	0.051	0.003	0.161	0.000	0.286	0.501
Arizona	0.033	0.013	0.322	1.018	1.064	2.450
California	0.065	4.403	0.871	0.423	3.217	8.980
Colorado	0.210	0.197	0.212	0.847	1.342[a]	2.808
Idaho	0.021	0.989	0.151	1.583	0.631	3.375
Montana	1.331	0.806	0.151	2.164	0.162	4.614
Nevada	0.009	0.073	7.188	2.622	0.945	10.837
New Mexico	0.423	0.008	0.932	3.056	0.755	5.174
Oregon	0.011	144.032	0.439	1.259	1.675	147.416
Utah	0.064	0.059	0.496	1.477	0.914	3.009
Wyoming	0.301	0.112	0.512	2.769	1.070	4.764
Eastern St.	0.055	0.002	0.106	0.182	0.117	0.461
Total	2.572	150.698	11.543	17.400	12.177	194.390[b]

[a] *Public Land Statistics, 1993* reported $38,568,298 in other revenues in Colorado, but this was a reporting error that will be corrected with an offsetting "loss" in *Public Land Statistics, 1994*. Personal communication with D'Ann Swan, BLM Budget Office, on July 19, 1995.

[b] Excludes $12,731,577 of non-operating revenues from service charges, deposits, fines, and penalties that are not reported by State.

Table 5. MMS Collections From Mineral Leases on BLM Lands
(in millions of dollars)

	Non-Royalty Payments	Oil	Natural Gas	Coal	Other[a] Leases	MMS Total
Alaska	0.190	1.109	4.004	0.000	0.000	5.303
Arizona	0.195	0.000	0.000	0.000	0.000	0.195
California	(1.897)[b]	23.816	3.194	0.000	19.739	44.853
Colorado	6.543	18.341	16.443	24.320	9.203	74.850
Idaho	0.132	0.000	0.000	0.000	4.599	4.731
Montana	3.149	4.736	3.212	38.722	0.051	49.870
Nevada	9.815	3.318	0.000	0.000	3.808	16.942
New Mexico	14.982	51.749	210.849	16.623	3.934	298.138
Oregon	0.115	0.000	0.000	0.116	0.000	0.230
Utah	12.885	8.330	15.502	30.994	0.238	67.949
Wyoming	69.976	90.164	99.152	149.495	12.446	421.233
Eastern St.	3.874	6.691	18.403	2.584	0.120	31.672
Total	119.958	208.254	370.760	262.853	54.140	1,015.965

[a] Other leasable minerals include geothermal (heat and water), soda ash, potash, phosphates, borax and boric acid, and a variety of other minerals subject to leasing under the Mineral Leasing Act of 1920 and other mineral leasing statutes.

[b] The non-royalty payments in California in FY1993 were negative, to reflect adjustments for earlier overpayments.

APPENDIX B: EXPENDITURES FOR RESOURCE MANAGEMENT ON LANDS ADMINISTERED BY THE BLM

The MMS and adjusted BLM expenditures for resource management on BLM lands are shown in tables 2 and 3. MMS maintains accurate cost data by landowner class, and those directly related to collecting mineral leasing revenues from BLM lands are shown in table 3.

BLM appropriations are not so readily applicable to BLM land and resource management. As noted above, BLM is responsible for all Federal minerals management, regardless of surface ownership and management, and thus BLM costs for Federal minerals management on non-BLM lands must be deducted from total appropriations. Other costs, such as land acquisition and PILT payments, are also not the result of BLM resource management, and thus should not be included in a comparison of land management revenues and costs. In addition, in FY1993, BLM operated two special centers that provide services to all BLM units, and their costs should be allocated across the States.

Table 6 shows the FY1993 BLM appropriations and adjustments to match BLM land and resource management costs with the resulting revenues in each State. The allocated costs of the two special centers are additional resource management costs, added to appropriations, while the non-management cost allocations are deductions from appropriations. These adjustments are described in more detail in subsequent sections.

Special Centers

In FY1993, the BLM maintained two special centers.[3] The Service Center (in Denver, CO) provided technical, scientific, data management, and administrative services throughout the agency. The National Interagency Fire Center (in Boise, ID) provided fire training and logistical support and aviation management for all BLM programs; together with financial support from other Federal land managing agencies, this center also provides coordination for Federal fire-fighting efforts, including assistance for fire-fighting on State and private lands.

The BLM allocated the FY1993 appropriations for these two centers to the States where the centers are located. For State-level revenue-cost comparisons, these costs must be allocated across the BLM units. However, no information on the relative use of these centers is readily available. Thus, any allocation scheme is necessarily speculative, and might not accurately reflect the State-specific costs of these centers.

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[3]In its FY1996 budget request, BLM proposes five special centers -- three in Denver, CO (for science and technology, human resources management, and administrative and business services); the National Interagency Fire Center in Boise, ID; and a new National Training Center in Phoenix, AZ. However, this change does not affect the FY1993 BLM appropriations and cost allocations.

Table 6. BLM Appropriations Adjusted for Cost Allocations of Special Centers and Non-Management Expenditures (in millions of dollars)

	FY1993 BLM Appropriations	Center Costs[a]	Non-Mgt. Costs[b]	Adj. BLM Costs
Alaska	73.694	15.281	5.336	83.639
Arizona	49.640	4.903	13.898	40.644
California	73.498	5.944	22.143	57.298
Colorado	99.262	(49.238)	15.552	34.472
Idaho	55.375	(29.127)	9.205	17.043
Montana	38.899	2.778	11.186	30.490
Nevada	49.034	16.498	8.399	57.133
New Mexico	55.842	4.433	14.910	45.364
Oregon	139.714	5.529	19.450	125.793
Utah	47.961	7.617	10.714	44.865
Wyoming	50.532	6.327	8.117	48.741
Eastern St.	36.506	0.527	25.131	11.902
DC Office	83.392	8.530	1.772	90.150
Total	853.349	0.000	165.814	687.535

[a] The allocated costs for the Service Center (in Denver, CO) and the National Interagency Fire Center (in Boise, ID). The negative allocations for Colorado and Idaho reflect the reported appropriations in those States, net of their allocated costs.

[b] Costs not directly associated with BLM resource management, from table xx.

Table 7. Allocated Cost of BLM Special Centers (in millions of dollars)

	Special Center Appropriations	Effective Acres [a]	Allocated Costs	Special Center Net Costs
Alaska	0.000	44.430	15.281	15.281
Arizona	0.000	14.256	4.903	4.903
California	0.000	17.284	5.944	5.944
Colorado	52.097	8.309	2.858	(49.238)
Idaho	33.202	11.849	4.075	(29.127)
Montana	0.000	8.076	2.778	2.778
Nevada	0.000	47.969	16.498	16.498
New Mexico	0.000	12.888	4.433	4.433
Oregon	0.000	16.075	5.529	5.529
Utah	0.000	22.148	7.617	7.617
Wyoming	0.000	18.395	6.327	6.327
Eastern St.	0.000	1.531	0.527	0.527
DC Office	0.000	n.a [b]	8.530	8.530
Total	85.298	223.210	85.298	0.000

[a] "Effective acres" include only half the BLM acres in Alaska to reflect the lower management intensity of these lands.

[b] Not applicable; 10 percent of total costs were allocated to the DC Office.

For this analysis, it was presumed that costs for the Denver Service Center and the Boise Interagency Fire Center were generally proportional to BLM land within each State, with two exceptions. First, some of these costs undoubtedly occur in the DC Office; it was assumed that 10 percent of total costs for the two centers was attributable to the DC Office. The second exception is for Alaska, because land management intensity is substantially lower on the extensive BLM lands in Alaska's interior; it was assumed that attributable share of these costs was only half the rate of lands in the coterminous States, and therefore the "effective acres" for Alaska is only half the actual BLM acreage in Alaska.

Non-Management Costs

As discussed above, BLM appropriations include expenditures on activities that are not directly related to resource management on BLM lands. Four categories of appropriation have been identified as non-management costs: the cost of administering service charges, deposits, fines, and penalties (collectively called "service charges" herein); Payments-In-Lieu of Taxes; land acquisition expenditures; and the BLM costs for administering Federal minerals on non-BLM lands. These costs are shown in table 8 and discussed below.

Table 8. Adjustments to BLM Appropriations For Non-Management Expenditures (in millions of dollars)

	Service Charges	PILT	Land Acquisition	Non-BLM Minerals[a]	Total Costs
Alaska	0.669	4.372	0.029	0.266	5.336
Arizona	0.478	8.745	3.448	1.227	13.898
California	1.147	10.518	8.657	1.821	22.143
Colorado	0.573	6.493	2.650	5.836	15.552
Idaho	0.382	7.421	0.788	0.614	9.205
Montana	0.287	8.286	0.281	2.332	11.186
Nevada	1.051	6.755	0.089	0.504	8.399
New Mexico	0.765	10.654	1.838	1.653	14.910
Oregon	2.088	6.916	9.221	1.225	19.450
Utah	0.765	8.936	0.257	0.756	10.714
Wyoming	0.573	6.827	0.137	0.580	8.117
Eastern St.	0.573	17.951	0.000	6.607	25.131
DC Office	0.191	0.200	0.076	1.305	1.772
Total	9.542	104.074	27.471	24.727	165.814

[a] The estimated BLM cost of Federal minerals management on lands not under the jurisdiction of BLM, from table 10.

Service Charge Costs. The BLM receives an appropriation for collecting service charges, deposits, fines, and penalties. Such administrative expenses could be considered land and resource management costs. However, the BLM identifies the receipts from these sources as non-operating revenues, and reports them only in aggregate, not by State.[4] Inasmuch as the administrative expenses ($9.5 million in FY1993) are slightly less than the revenues ($12.7 million in FY1993), one might reasonably presume that deleting both receipts and costs would have no discernable effect on the results.

Payments-In-Lieu-of-Taxes (PILT). PILT is a program administered by the BLM that provides payments to counties from annual appropriations, in addition to the revenue-sharing payments noted above. The program was created in 1976 to compensate local governments for the tax-exempt status of Federal lands. Payments were fixed at $0.75 per acre of entitlement land,[5] but reduced (to a minimum of $0.10 per acre) by revenue-sharing payments to counties from entitlement lands and limited by population; the PILT Act was amended in 1994 to adjust both enacted and future payment amounts and limitations for inflation. Because these payments are clearly intended to substitute for property taxes, because property tax rates are rarely modified by land and resource management activities, and because BLM lands are only a portion of the entitlement lands, PILT payments are considered intergovernmental transfers -- and not management costs -- for this revenue-cost comparison.

Land Acquisition. The Federal Government has acquired, and continues to acquire, lands from other landowners. Many reasons are provided for land acquisition -- to acquire unique, irreplaceable assets; to consolidate Federal landholdings; to facilitate land exchanges; and more. BLM has traditionally received less funding for land acquisition than other Federal agencies, but was still appropriated $27.5 million in FY1993. Land acquisition expenditures are excluded for the revenue-cost estimates in this memorandum, however, because current land purchases do not affect current management revenues and costs (although they may affect future revenues and costs).

Non-BLM Minerals Management. The BLM is responsible for management of all Federal minerals, except for the leasing revenue collection and offshore

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[4]See: U.S. Dept. of the Interior, Bureau of Land Management. *Public Land Statistics, 1993*. Washington, DC: Sept. 1994. p. 119.

[5]The Act defines Federal entitlement lands, and includes most Federal lands reserved from the public domain in the coterminous 48 States, as well as some acquired Federal lands and some Federal lands in Alaska. Thus, PILT entitlement lands include not only many BLM lands, but also National Forest System lands, National Park System lands, National Wildlife Refuge System lands, and some lands administered by the Bureau of Reclamation and the Army Corps of Engineers.

(Outer Continental Shelf) leasing responsibilities of MMS.[6] While the preponderance of Federal minerals management is related to BLM lands, minerals activities also occur on other Federal lands, particularly within the National Forest System. In addition, the Federal Government retains mineral ownership of some split-estate lands, where the surface is often privately-owned. Thus, some BLM minerals appropriations are for minerals management of lands not administered by the BLM (and not included in the revenues, above).

No direct allocation of the $69.7 million in FY1993 minerals appropriations exists. Thus, an allocation must be imputed from other information. For this analysis, it was presumed that the number of leases of each type (oil and gas, coal, and other) adequately indicated leasing activity and therefore leasing costs. Thus, the ratios of leases on BLM and non-BLM lands, shown in table 9, were used to allocate appropriations for leasing management on BLM lands (*vis-a-vis* non-BLM lands).

The allocation of locatable mineral management costs is more complicated, because no comparable measure of activity exists. For this analysis, it was presumed that mining activity is dispersed across the Federal multiple-use lands -- the BLM lands and the National Forest System (NFS) lands administered by the U.S. Forest Service. Thus, the ratio of BLM lands to Federal multiple-use lands (*i.e.*, BLM plus NFS lands), shown in table 9, was used to allocate the mining management appropriations between BLM and non-BLM lands.

Finally, the ratios for leasing and mining management on BLM lands were aggregated into a weighted average, based on FY1994 BLM allocations for the three leasing categories and for mining management. The national aggregate weighted average (68.65 percent) was then used to allocate DC Office costs to BLM and non-BLM lands.

The inverse -- *i.e.*, the weighted average for BLM management on non-BLM lands -- was then used to calculate the deduction from FY1993 BLM minerals management appropriations for non-BLM land activities, as shown in table 10. This figure was then used (above, in table 8) to adjust BLM appropriations for minerals management activities not associated with BLM lands.

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[6]There are three principal categories of Federal minerals, defined by the system under which they are available to users. Locatable, or hardrock, minerals are available under the Mining Law of 1872, which allows free exploration of many Federal lands (those that have not been explicitly withdrawn from mineral access) and low-cost claims and patents for mineral development; valid claims effectively establish permanent rights to the minerals, as long as the claim in maintained. Leasable minerals (principally, but not exclusively fossil fuels) are available under the Mineral Leasing Act of 1920 and other mineral leasing statutes, which establish competitive bidding for access to the minerals and royalty payments for mineral extraction; in contrast to mining claims, mineral leases expire after a period, typically 10 years. BLM is responsible for administering mining claims and mineral leases, although MMS collects lease revenues. Salable minerals (primarily sand and gravel) are available from the Federal agency of jurisdiction, at prices intended to cover administrative costs, and only for the duration of the construction for which the mineral is required.

Table 9. Percentage of BLM Minerals Management Costs on BLM Lands

	Oil & Gas	Coal	Other Leasing	% BLM Land[a]	Weighted Average
Alaska	96.83%	100.00%	100.00%	80.07%	88.19%
Arizona	100.00%	0.00%	0.00%	55.90%	48.42%
California	83.11%	0.00%	43.21%	45.60%	63.77%
Colorado	26.39%	21.35%	71.43%	36.47%	30.03%
Idaho	80.00%	0.00%	10.99%	36.69%	31.28%
Montana	62.26%	11.63%	36.36%	32.40%	52.51%
Nevada	99.82%	100.00%	86.61%	89.20%	90.23%
New Mexico	81.36%	87.88%	100.00%	58.03%	81.88%
Oregon	14.29%	0.00%	14.66%	39.30%	25.24%
Utah	96.34%	60.13%	94.51%	73.20%	86.45%
Wyoming	98.78%	89.08%	92.98%	66.52%	95.63%
Eastern St.	6.35%	0.00%	2.33%	5.10%	5.32%
Weighted Avg.	78.06%	55.68%	55.42%	58.28%	68.65%

[a] The percentage of BLM lands relative to all Federal multiple-use lands (*i.e.*, to BLM acreage plus National Forest System acreage) in each State.

Table 10. Allocation of BLM Minerals Management Costs to BLM and Non-BLM Lands (in millions of dollars)

	BLM Appropriations	Non-BLM Ratio	Non-BLM Expenditures	Allocated BLM Costs
Alaska	2.250	11.81%	0.266	1.984
Arizona	2.379	51.58%	1.227	1.152
California	5.027	36.23%	1.821	3.206
Colorado	8.340	69.97%	5.836	2.504
Idaho	0.894	68.72%	0.614	0.280
Montana	4.912	47.49%	2.332	2.580
Nevada	5.156	9.77%	0.504	4.652
New Mexico	9.125	18.12%	1.653	7.472
Oregon	1.639	74.76%	1.225	0.414
Utah	5.579	13.55%	0.756	4.823
Wyoming	13.293	4.37%	0.580	12.713
Eastern St.	6.978	94.68%	6.607	0.371
DC Office	4.162	31.35%	1.305	2.857
Total	69.734	31.35%	21.863	47.871

BLM NEWS

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EMBARGOED FOR AM RELEASE
Monday, July 31, 1995

Contact: Celia Boddington
(202) 208-5717

BLM Report Cites Rewards from Public Lands

The Bureau of Land Management today released a report detailing the fundamental role of our public lands and the numerous benefits that all Americans receive from public lands, which are managed by the BLM, an agency of the U.S. Department of the Interior. The report is titled "Public Rewards from Public Lands."

"Our public lands are a national asset, rich in cultural, natural and scenic resources," Acting BLM Director Mike Dombeck said. "We manage these lands for multiple uses, which means that every American benefits. And that's why it is so important that we pass this heritage on to future generations."

"The report issued today by the BLM shows the wide and rich variety of resources that can be found on BLM-managed public lands," Dombeck said. "These resources include livestock forage, energy and minerals, timber, fish and wildlife habitat, wilderness areas, and archaeological and historic sites. Tens of millions of Americans enjoy hunting, fishing, camping, hiking and other recreational activities on the public lands each year."

"Public Rewards from Public Lands" notes that BLM-managed public lands contain one-third of the nation's coal supply, 12.5 trillion cubic feet of proven natural gas reserves, 1.4 billion barrels of proven oil reserves, 170 million acres of rangeland, 48 million acres of forestland, and thousands of recreational, archaeological, historic and cultural sites that are open to the public.

--more--

More than 65 million recreational visits -- for such activities as hunting, fishing, camping and hiking -- occur each year on BLM-managed lands. The various commercial activities that take place on these public lands will generate more than $1.2 billion for the nation's taxpayers in fiscal year 1996. The estimated value of all future oil, gas and coal royalty receipts from BLM-managed public lands is $16.4 billion for oil, $11.3 billion for gas and $5.4 billion for coal.

Legislation introduced in the 104th Congress would transfer the public domain to individual states. The legislation does not place restrictions on state management of the lands; states could retain or dispose of them. In addition, the legislation does not provide for compensation to the American taxpayers for the loss of revenue from the commercial activities on the public lands, the loss of assets on these lands, or the loss of the land itself.

Among other things, the BLM report points out that states acquiring BLM-managed lands would lose millions of dollars in Federal funds by doing so. In the last fiscal year, the BLM spent the following amounts on programs that benefit states and local governments: $99.3 million on the Payments in Lieu of Taxes (PILT) program; $10 million on range improvements; $235.7 million on wildland firefighting; $25.1 million on recreation resource management; and $53 million on oil and gas leasing.

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Statement of Cy Jamison

before

The Subcommittee on National Parks, Forests & Lands

Resources Committee

on

H.R. 2032

A Bill to transfer the lands administered by the Bureau of Land Management to the State in which the lands are located.

Mr. Chairman I want to thank you and all members the of the subcommittee for giving me this opportunity to comment on H.R. 2032. As a former National Director of the Bureau of Land Management I have a special place in my heart for the BLM and the people who perform the day to day tasks under the various laws passed by Congress and the policies of the Administration in Office.

However, that cannot cloud one's judgement of the overall situation. Times have changed so land management agencies must change with them to be responsive to the American people. This bill impacts mostly the Western States where the vast holdings of the BLM are located. The BLM manages nearly one-eighth of the surface of the United States. The mineral estate is even larger than that.

With the Western States being some of the newer members of our great Union, it has taken time for those governments to mature and gain expertise. Now as we approach the next century most of these States have the management and technical expertise to do just as good, and maybe in some cases a much better, job of managing natural resources than the Federal Government. The bottom-line issue is control. Many want all control to remain in Washington, D.C. I personally think the best Government is the one that is the closest to the people. Mr. Chairman, your Bill is a step in that direction.

Your Bill would provide the opportunity for the States to take over the management of BLM lands in their States. That alone is a laudable goal.

Mr. Chairman, let me highlight a few of my concerns that you may wish to address as H.R. 2032 moves through the legislative process.

First, I think the time period of 10 years after the application is made before the land can transfer to the State is much too long. Just do it. Two years to phase out should be adequate and if not let the Secretary and the State mutually agree to something longer, but not to exceed 10 years.

Second, an option to the "all or nothing" provision should be included as it relates to each State. There are situations created by past legislation such as the railroad land grants that left a checker-board system of ownership. Maybe a State would only want those lands or vice-versa and would prefer to leave other areas in Federal ownership. I'm not in favor of allowing the States to cherry-pick, but some middle ground I think is necessary.

Third, there are, "have" and "have-not" States. States like New Mexico and Wyoming would have a tremendous incentive to take over the lands because of the mineral revenues coming in from the oil, gas, coal and other minerals. Other States receive very little. That is another reason why I think there needs to be alternatives to the "all or nothing" provision.

Fourth, the federal lands are subject to a variety of different statutory programs that divide revenue from the land and distribute some of the revenues directly to county governments or earmark revenues for specific local uses such as school districts. Local communities depend very heavily on these revenues, and it is critical that this issue be addressed. I believe the bill should be amended to include some type of revenue distribution programs for schools and county governments.

Fifth, military land withdrawals are not in my opinion given enough protection in H.R. 2032. As a staffer on this Committee some years ago, I worked on Military Withdrawals. If memory serves me correctly, some of those withdrawals were for 20 years and some for 15 years. Given the 10 year transfer time allotted in the Bill, some of these withdrawals could expire. Maybe the withdrawals could be extended to protect them for some given time period under State control.

Sixth, a provision should be included that keeps the lands open to the citizenry for their enjoyment and use. In short, a covenant needs to be included to insure the availability to the general public of these lands.

Lastly, Mr. Chairman, I learned a great many things about public land management while BLM Director. The most important lesson, was that - one must never forget who one works for. I think the land management agencies have forgotten that critical point and with State Governments much closer to those they serve, hopefully that will not happen to them.

Just bringing this issue to the forefront makes for a better understanding of public land management. Go for it.

I will be happy to answer any questions. Thank you.

Statement of Bonnie R. Cohen
Assistant Secretary - Policy, Management and Budget
U.S. Department of the Interior

Before the
Subcommittee on National Parks, Forests and Lands
Committee on Resources
U.S. House of Representatives

On H.R. 2032, To transfer the lands administered by the Bureau of Land Management to the State in which the lands are located

August 1, 1995

I am here today to present the views of the Department of the Interior on H.R. 2032, legislation requiring the Secretary of the Interior to offer to transfer the lands administered by the Bureau of Land Management (BLM) to the states in which these lands are located. This legislation would affect not only the BLM's operations, but the broad mission and responsibilities of the entire Department of the Interior.

Let me state unequivocally that the Department of Interior strongly opposes H.R. 2032. Should the bill be approved by both Houses of Congress, the Department would recommend that the President veto the legislation. H.R. 2032 contemplates far more than a restructuring of oversight responsibilities for public lands. This radical legislation would transfer tremendous national assets and revenues to a small number of fortunate states. The bill is fiscally irresponsible and would squander much of our natural heritage. H.R. 2032 is a bad deal for most residents of the Western states and a bad deal for the American public.

The federal government holds public lands in trust so that this generation, and those who will follow us, can enjoy both their beauty and their bounty. Congress has long recognized the national interest in preserving and conserving the public lands for present and future generations of Americans. It was over one hundred years ago, in 1891, that Congress created the first national forest reserves in the Pacific Northwest to protect them from the fate of the eastern forests, which had been denuded by unrestrained logging. In 1976, Congress declared it the policy of the United States that "...the public lands be retained in Federal ownership, unless as a result of land use planning.. it is determined that dispoal of a particular parcel will serve the national interest" (Federal Land Policy and Management Act).

Any serious discussion about the public lands must begin with an understanding of what is at stake. The 270 million acres of public lands managed by the BLM are extraordinarily diverse. They include desert mountain ranges, alpine tundra, evergreen forests, expanses of rangeland and red rock canyons. Consistent with the Federal Land Policy and Management Act, the BLM has managed these lands for multiple use: recreation, grazing, forestry, mineral development, watershed protection, fish and wildlife conservation, wilderness values, air and water quality, and soil conservation. In addition to their tremendous resources, the public lands feature extraordinary places: a few examples are Arizona's San Pedro National Conservation Area, the

Imperial San Dunes in California, Utah's Slickrock Bike Trail, and Nevada's Red Rock Canyon National Conservation Area.

The public lands contain invaluable scenic, historic, and cultural sites as well. Archaeological, historic, and paleontological properties on BLM-managed lands form the most important body of cultural resources in the United States. These include the 11,700 year-old Mesa site in the Brooks Range, Alaska, which preserves some of the earliest evidence of human migration to the North American continent, and the prehistoric Anasazi complex that extends across portions of Utah, Arizona and Colorado. There are also historic sites dating from more recent periods, including the remains of Spanish exploration in the southwest, portions of the original trails used by settlers moving westward, and significant Native American religious sites. Public lands in New Mexico, Wyoming and Utah contain prehistoric petroglyphs and dinosaur fossils.

For more than a century, the use and development of the public lands has been influenced by the complex relationship between the federal government and states. The Department's opposition to H.R. 2032 should not be interpreted as criticism of the states' ability to manage lands, or a belief that the states should not play a significant role in the stewardship of these lands. On the contrary, states have a legitimate interest and should exercise a major role in decisions affecting the public lands

within their borders.

Our experience suggests that the public lands are managed most effectively through cooperation with states and local communities, and the Department is committed to strengthening this partnership. The BLM in recent years has entered into numerous collaborative partnerships with state and local governments. Here are a few examples:

* In Utah, the BLM has signed formal agreements with state and county governments for law enforcement, wildfire control, road maintenance and land-use planning;
* In Nevada, where the BLM consults extensively with state and county governments on planning and environmental studies, BLM and the state Department of Minerals operate as joint partners in reviewing and approving mining operations;
* In California, the Department of the Interior joined numerous other state, federal and county agencies to help development a plan for protecting endangered species and local economies in the West Mojave region;
* In Alaska, nine federal and state agencies jointly manage the state's four Public Lands Information Centers, which provide one-stop shopping for visitors.

Rather than facilitate this kind of cooperation, however, H.R. 2032 would simply provide for a wholesale transfer of the public lands and the national wealth they contain to a relatively small number of states. It is, in effect, procedural legislation that sets forth bare bones steps by which public lands -- as well as the minerals and water rights associated with them -- can be

transferred to states. But the legislation does much more. There should be no doubt that the land and mineral transfers this bill would authorize would irrevocably change America and the American West.

The Department opposes this legislation for a number of reasons.

H.R. 2032 is unfair to American taxpayers as it would transfer revenues and resources owned by all Americans to a relatively small number of states.

H.R. 2032 packs a triple whammy for the American taxpayer: it deprives taxpayers of current revenues, gives away assets that generate money over the long-term, and makes sure that taxpayers will continue to pay for maintaining public lands in states that choose not to take less desirable lands.

Today's hearing is not the first time Congress has considered the idea of transferring the public lands to states. It is worth recalling the testimony of former Interior Secretary Oscar L. Chapman during the Eisenhower Administration:

> "if this Administration is intent upon following a give-away policy, the people are at least entitled to know what and how much is being given away... billions of tons of oil, coal, trillions of cubic feet of natural gas"...not to mention "timber, grass, electric power plants, sites for

future ones, irrigation and other water potentials, precious metals, other minerals..."

Chapman's inventory of the public's resources helped persuade the 83rd Congress not to give away the public lands, but H.R. 2032 attempts to resurrect this flawed idea. If enacted, it would deprive each and every American taxpayer of the tens of billions of dollars worth of resources contained on the public lands. The legislation is a giveaway, pure and simple, of these taxpayer assets:

* Coal: one-third of the nation's reserves;
* Natural gas reserves: 12.5 trillion cubic feet;
* Oil reserves: 1.4 billion barrels;
* Rangeland: 170 million acres;
* Forests: 48 million acres;
* Geothermal energy: 55 million acres;
* Uranium: 35 percent of the nation's reserves;
* Oil shale: 80 percent of the nation's reserves;
* Minerals: deposits of cobalt, copper, nickel, platinum; group metals, silver, tungsten, phosphate, sodium, lead, zinc, potash and more.

These assets are worth billions of dollars. They are managed by the BLM to generate revenues for all Americans, not only residents of the major public land states. If H.R. 2032 were enacted, American taxpayers could lose receipts of more than $1.2 billion each year that currently are generated from the federal lands by energy and mineral leasing, grazing of private

livestock, recreation and timber sales. Michigan residents who pay federal taxes could lose more than $43 million annually and about $1.2 billion over the next 30 years; New Jersey taxpayers would lose nearly $40 million annually and roughly $1 billion in the longer term.

The loss of federal revenues generated from these federal assets, would be subject to the pay-as-you-go (PAYGO) provisions of the Omnibus Budget Reconciliation Act and would increase the deficit. To offset these PAYGO costs, the Congress would face additional pressure to cut spending in other areas, or increase taxes. This pressure would only rise over the long term as the U. S. Treasury would be deprived of the future royalty receipts estimated at more than $33 billion ($16.42 billion from oil, $11.31 billion from natural gas, and $5.44 billion from coal).

Supporters of this legislation suggest that it will produce budget savings. It will not. The savings promised by H.R. 2032 are predicated on wholesale transfer of all the public lands, and that will not happen. Only those states with significant energy and mineral resources are likely to want the public lands and to take ownership of them under this bill. Even a cursory review suggests that a relative handful of states would capture most of the income-producing mineral resources on lands now owned by the federal government. The federal government would be left with management responsibilities for the less desirable lands in the

remaining states.

In effect, this legislation would give away revenue-producing lands to a relatively small number of states in the Rocky Mountain region, and retain in federal ownership those with a negative cash flow. The burden on federal taxpayers and the pressure on the federal budget will increase, particularly if the federal government continues to provide critical services such as firefighting on the public lands.

Let me turn now to another potential consequence of H.R. 2032 -- restrictions on the public's access to public lands.

H.R. 2032 will limit access by hunters, anglers, campers, hikers and other recreational users to vast areas of the West.

Last year, the public lands hosted 65 million recreation visits for hunting, fishing, camping, hiking, mountain biking, off-road vehicle use, bird-watching, family picnics, and other activities. Over 29,000 conservation, recreation and wilderness areas on the lands managed by the BLM are open to the public, as are sites of cultural, archaeological and religious significance.

Nowhere in this bill is there any guarantee that Americans will continue to enjoy access to these lands. H.R.2032 would leave it up to the individual states to decide whether the lands should be

restricted to a single use, or made available for multiple uses, or even whether these lands should be sold to private owners.

What would happen to recreation opportunities if the public lands were transferred to the states? Existing state recreation policies on state-owned lands vary widely. But in Arizona, for example, most state lands are closed to public access. Hunting and fishing are permitted with a valid license, but as the Phoenix Gazette has pointed out, "technically, a hiker or a family on a picnic needs a permit to go onto state land."

State governments, many already stretched to their limits in terms of resources, would likely have to impose new increases in state taxes in order to pay for their new land management responsibilities. Faced with this prospect, it is probable that states would choose instead to sell at least some of the assets they would acquire through H.R. 2032 to private parties. Historically many western states have sold land given to them by the federal government. In Utah, for example, close to half the state's original land grant acres have been sold.

And nothing in this legislation would prevent states from selling off the public lands' and their resources to the highest bidder, removing them forever from multiple use and public enjoyment. The winners at such an auction would likely be absentee owners, or corporate owners, who would lock up the land and allow hunting

and fishing by invitation only. We can almost guarantee the winners will not be individual family ranchers.

Let me turn now to another troubling aspect of this legislation. I think many long-time Westerners would be surprised by the changes in their lives that would result from the huge land transfer envisioned by this bill.

In addition to reducing the quality of life for many Westerners who take for granted their access to open spaces and outdoor recreation, H.R. 2032 threatens the economic health of Western communities.

Recreational visits to the public lands are good not just for the soul, they're also good for the economies of local communities. Activities on public lands provide millions of dollars to nearby communities. Deer hunting in the western U.S. -- the majority of which occurs on public land-- generates $729 million in retail sales, contributes $411 million in salaries and wages, and provides 21,000 jobs each year. Outfitters and guides provide an estimated $50-$60 million annually in revenue to the western states, and a large part of this revenue arises from activities on the public lands. HR. 2032, by permitting states to restrict public access or recreational activity on these lands, could inflict significant economic harm to local communities.

H.R. 2032 would adversely affect Western communities in other ways. Economic dislocations and uncertainty would occur as state legislature debated whether to keep their newly-acquired lands or turn them over to private ownership. Enactment of H.R. 2032 would also lead to the loss of essential services provided on the public lands by the federal government. Public safety would be threatened as Westerners could lose the firefighting units of the BLM. Right now, tens of thousands of federal employees have standing orders to help state and local governments protect public lands and adjoining private or state property from fire loss. The federal government alone has the ability to move firefighting personnel and resources quickly from state to state when necessary.

Western communities benefit directly from a range of programs funded by the BLM, and Western counties depend heavily on the Payments in Lieu of Taxes (PILT) they receive from the BLM to compensate for property taxes they cannot collect on these lands.

In March of this year, Ray Powell, New Mexico's elected Commissioner of Public Lands, wrote:

> "the implication that Washington merely siphons our resources is wrong. New Mexico public lands raise about $100 million which is sent to Washington, but the state receives more than $150 million from the federal government. New Mexico is the #1 recipient of BLM payments in lieu of

taxes which go directly to counties."

Payments to the counties in lieu of property taxes will run to $103.91 million in FY 1995. Yet nothing in H.R. 2032 would require states which elect to take ownership of public lands to maintain this level of support to county governments. Western communities would also stand to lose more than $10 million the BLM spends annually on range improvements, and more than $235 million the agency spends on firefighting.

Public lands under federal management are recognized as a national asset. Just as taxpayers across the nation enjoy the benefits of our natural resource lands, all American taxpayers contribute to paying the costs of their stewardship. If H.R. 2032 were enacted, these costs would no longer be borne by some 260 million Americans, but rather by the 55 million Americans who live in the West.

Under H.R. 2032, Western taxpayers -- not all U.S.taxpayers -- would have to pay the full cost of maintaining roads, fighting fires, administering rangelands and other management activities. It is reasonable to assume that state bureaucracies would have to grow significantly, or in some cases be created, to handle these responsibilities.

Many states now lack the mechanism or staff to manage the public

lands they could obtain under H.R. 2032. Under the bill, Nevada could assume ownership and responsibility for 48 million acres of public land. Wyoming, which now manages some 3.6 million acres of state-owned lands, could take over another 18 million surface acres and 30 million acres of subsurface minerals. Utah's land holdings could increase from 3.5 million acres to 25.5 million acres. Utah currently spends about $1.63 on each acre of state-owned land, and supports approximately one state lands employee for every 95,000 state acres. Extrapolating from these numbers, Utah would need roughly 231 new employees and an additional $36 million to manage the lands it could receive under H.R. 2032.

The Department has additional concerns about H.R. 2032 which relate to, among other things:

* withdrawals of federal land for military purposes (under H.R.2032, future and expiring withdrawals would have to be negotiated with states);
* liability for hazardous waste sites and cleanups;
* Indian trust responsibilities;
* handling of mining claims and management of minerals underlying private lands;
* scope of the lands subject to transfer; and
* land status pending State acceptance and during the ten year transition period.

The Department is examining these and other issues and may provide the Subcommittee with additional information about them in the near future.

Former Governor Cecil Andrus of Idaho captured the essence of what is at stake here when he wrote:

> "which policy would keep the West most free and open: Continued federal management with liberal public access and public use of the public lands? Or transfer of big chunks of public land to the states, many of which would sell it off to private parties and large corporations who would post it 'off limits' to the public?"

We must ask ourselves if the public lands constitute a national treasure to preserve for our children and grandchildren, or simply a bonanza for speculators. The Department of the Interior is committed to sound management of the public lands for the benefit of all Americans.

STATE OF WYOMING
OFFICE OF THE GOVERNOR

JIM GERINGER
GOVERNOR

STATE CAPITOL BUILDING
CHEYENNE, WY 82002

TESTIMONY BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS, AND LANDS OF THE HOUSE RESOURCES COMMITTEE

Tuesday, August 1, 1995

Washington, D.C.

Jim Magagna

Director of Federal Land Policy
State of Wyoming

TESTIMONY BEFORE THE SUBCOMMITTEE
ON NATIONAL PARKS, FORESTS, AND LANDS
OF THE HOUSE RESOURCES COMMITTEE

Tuesday, August 1, 1995

Mr. Chairman, members of the Subcommittee. My name is Jim Magagna. I serve as Director of Federal Land Policy for the State of Wyoming. I also serve as Director of the 3.6 million acres of State lands. I appreciate this opportunity to discuss with you Wyoming's support for H. R. 2032. I compliment you, Mr. Chairman, as well as our own Senator Craig Thomas for being prime sponsors of this historic legislation which recognizes and effectuates the long standing intent of this Congress prior to the enactment of the Federal Land Policy and Management Act (FLIPMA).

We believe that this legislation represents the preferable approach to placing BLM administered lands under state ownership, control and management responsibility. It sidesteps the long standing Constitutional debates on issues of "equal footing" and "States rights". While we agree that these issues should be addressed, under H. R. 2032 the transfer of BLM administered lands can proceed based on practical issues of improved management and reduced costs.

Of the 62.3 million acres of land in the State of Wyoming, the federal government owns 30.5 million. This constitutes nearly 49%. Wyoming is unique in containing lands acquired under each of the four major western land acquisitions--Louisiana Purchase, Treaty

with Spain, Cession from Mexico and the Oregon Compromise. Wyoming hosts two National Parks, two National Monuments, all of four National Forests and portions of four additional forests. These lands total approximately 12 million acres reserved by this Congress to be protected forever for the American people because of their beauty and unique characteristics.

Wyoming also contains nearly 18.5 million acres of BLM administered lands. These consist primarily of lands that were offered to our forefathers who settled the West under the Homestead and Desert Land Entry Acts. They were either never claimed, or claimed and later abandoned when they could not support a family. Most of these are the least desirable, least productive lands in our State. However, they have now been found to contain some of the richest oil and gas and mineral deposits. The production from these lands makes a major contribution to our national productivity, the creation of new national wealth and our global trade.

This land transfer will achieve several fundamental objectives with national benefits. First, on the ground management knowledge and management capability will be significantly enhanced. BLM currently has many excellent trained professionals in its field offices. However, the career path of federal employment requires that these people continually move from one state to another, with some Washington duty interspersed. They are denied the opportunity to develop long term management capability on a given land area

with its unique characteristics and its unique responses to management. For this reason, ranchers, miners, loggers, hunters and others with life long relationships to the land are rightfully reluctant to accept the management input of these qualified professionals. Under state management we will see incentives for professionals to spend major portions of their careers developing a relationship with specific lands in their state.

Today, on the ground BLM personnel are often as frustrated as their private sector counterparts with their inability to influence Washington policy directives which just don't fit their local initiatives. Under a much more concise state administrative agency their input will be an integral part of policy development.

A second objective that will be met is a streamlining of the administrative agency with resulting cost savings. BLM itself has recognized that it had become a top heavy administrative nightmare. Beginning with former Director Cy Jamieson, significant steps were taken to download the Washington staff to the West. State Directors are currently re-assigning personnel to local offices. While these are meaningful actions, it is inherent in the nature of the federal structure to have multi-layers of responsibility beginning with the Secretary down to the field. Under state management, all management levels above the current state offices would necessarily be eliminated. In addition, I would envision that current District and Resource Area offices would be combined, perhaps reduced in number. The result would be local offices

reporting directly to a single state office. Further savings and efficiencies for both government and our private sector "clients" would be achieved through integration of federal functions and state functions into a single agency. Examples include oil and gas conservation, mineral royalty collection and permitting of all types.

Third, the perception of a heavy dependence by western states on the largess of the federal government will be corrected by this legislation. I have had it called to my attention on numerous occasions by eastern interests that Wyoming receives far more per capita in federal dollars than similar rural eastern states. The response is simple. Give us ownership and control of our natural resources in a proportion comparable to yours and we can quickly be come the least dependent of all states. Are our federal mineral royalty share, payments-in-lieu-of taxes, and 12.5% share of grazing receipts federal payments? Or are these simply a portion of the production from our resources?

Opposition to this and similar legislation is firmly rooted in the perpetration of several myths regarding state ownership and management. Foremost is the myth that the American public will be denied the use and enjoyment of these lands; that this will be a privilege reserved to the citizens of a single state. This is paramount to my claiming that I am denied the use of Central Park cause it is owned and managed by the City of New York. The fact--all authorized uses will continue to be available on an equal basis to all U.S. citizens.

The second myth is prevalent even in Wyoming. We are led to believe that multiple use will no longer be maintained, public access will be denied and, eventually, most lands will be sold to the private sector at bargain basement prices. Even high level BLM personnel in Wyoming have made this claim in an effort to foster public opposition. Current management of Wyoming school lands is held up as an example of how BLM lands will be managed following transfer. This analogy fails to recognize the unique nature of school lands which must be managed to produce income for the beneficiaries with multiple use as a secondary objective.

The Wyoming legislature had the foresight many years ago to establish in statute the guiding principles for management of federal lands when they were transferred to the State. W.S. 36-12-102 directs the management of these lands. W.S. 36-12-106 mandates multiple use. (See Appendix A for complete text of Wyoming Statutes Title 36, Chapter 12.)

These sections of Wyoming law are quite specific in enumerating mandated uses to include not only commodity uses but also "recreation", "conservation and protection of watersheds and wildlife habitat, and historic, scenic, fish and wildlife, recreational and natural values." The Board of Land Commissioners is further mandated to develop a management plan which considers a policy regarding disposal lease and exchange and a policy regarding public access.

H.R. 2032 recognizes that the circumstances of each state differ widely and appropriately places the decision on transfer in the hands of each Governor. We fully support this approach. However, we would urge that greater flexibility be provided in the timing for transfer. We would suggest that each state be permitted to specify the time of actual transfer, but that it be no less than two years nor more than ten years after election by the governor. This provision would acknowledge that some states will be able to prepare to assume their responsibility more rapidly than others.

A safeguard should provide that once the governor has elected to accept a transfer, BLM can take no action which would reduce the surface or mineral acreage which it manages within that state without the concurrence of the governor. However, where the governor and BLM mutually agree that certain lands would better be retained in federal ownership and managed by another federal agency, this should be a permitted exception to the requirement that a state accept all lands.

Section 3(a) is unclear as to who holds final authority over transferred Wilderness. Is the state forever bound by this designation? Does Congress retain the authority to change the Wilderness designation even though the federal government no longer owns the lands?

Section 4(b)(1)(C) preserves "any right to any quantity of water reserved or <u>used for governmental purposes or programs of the United States</u> [emphasis added] at any time prior to the date of

enactment of this Act". Use alone should not create a right to unreserved water unless that right has been perfected under state water law.

Mr. Chairman, in closing let me note that at no time since enactment of FLIPMA in 1976 has it been more appropriate to initiate this land transfer. H.R. 2032 is a major downsizing of federal government. H.R. 2032 places the power closer to the people. H.R. 2032 is a "block grant" to the states of the resources with which to meet their own socio-economic needs. We urge favorable action on this legislation by this subcommittee.

APPENDIX A

CHAPTER 12

STATE CONTROL OF CERTAIN LAND

36-12-101. Legislative determinations.

(a) The legislature determines:

(i) The intent of the framers of the constitution of the United States was to guarantee to each of the states sovereignty over all matters within its boundaries except for those powers specifically granted to the United States as agent of the states;

(ii) The attempted imposition upon the state of Wyoming by the congress of the United States of a requirement in the Statehood Act that the state of Wyoming and its people "disclaim all right and title to any lands or other property not granted or confirmed to the state or its political subdivisions by or under the authority of this act, the right or title to which is held by the United States or is subject to disposition by the United States", as a condition precedent to acceptance of Wyoming into the Union, was an act beyond the power of the congress of the United States and is thus void;

(iii) The purported right of ownership and control of the unappropriated public land in the state of Wyoming by the United States is without foundation and violates the clear intent of the constitution of the United States; and

(iv) The exercise of that dominion and control of the public land in the state of Wyoming by the United States works a severe, continuous and debilitating hardship upon the people of the state of Wyoming.

Source: Laws 1980, ch. 53, 1.

36-12-102. Management.

(a) Upon transfer to the state of Wyoming [of] the jurisdiction and ownership of lands and mineral resources subject to this act, the board shall manage such in an orderly manner in trust for the optimum benefit and use of all the people of Wyoming and in conformity with established concepts of multiple use and sustained yield which will permit the development of uses for agriculture, grazing, recreation, minerals, timber, and the development, production and transmission of energy and other public utility services. It shall be managed in such a manner as to permit the conservation and protection of watersheds and wildlife habitat, and historic, scenic, fish and wildlife, recreational and natural values.

(b) The board of land commissioners shall develop a plan for the transfer and management of lands and minerals subject to this act [36-12-101 to 36-12-109]. This plan will be submitted to the governor and legislature prior to January 1, 1983 and will be subject to their approval. Such a management plan shall consider:

(i) Management of the land pursuant to subsection (a);

(ii) Policy and program regarding disposal, lease or exchange of any lands or resources acquired pursuant to this act;

(iii) Policy and program regarding public access to use of such lands;

(iv) Conservation of lands for wildlife habitat or recreational purposes; and

(v) Program regarding use or transfer of lands to municipalities and other governmental entities for public purposes.

(c) As used in this section:

(i) Sustained yield means the maintenance of a high-level annual or regular periodic output of the various renewable resources of the state lands consistent with multiple use;

(ii) Multiple use means the management of the land in a combination of balanced and diverse resource uses that takes into account the long-term needs for renewable and nonrenewable resources, including but not limited to recreation, range, timber, minerals, watershed, wildlife and fish, natural, scenic, scientific and historical values, and the coordinated management of the resources without permanent impairment of the productivity of the land or the quality of the environment.

Source: Laws 1980, ch. 53, 1.

36-12-103. Property of the state. Subject to valid existing rights of applicants for land, after March 30, 1980, all federal land in the state except as set forth in W.S. 36-12-109 and all water and mineral rights appurtenant not previously appropriated are the exclusive property of the state and subject to its jurisdiction and control.

Source: Laws 1980, ch. 53, 1.

36-12-104. Existing rights under federal law. Until equivalent measures are enacted by the legislature, the rights and privileges of the people of this state granted under the provisions of existing federal law are preserved under administration by the board of land commissioners.

Source: Laws 1980, ch. 53, 1.

36-12-105. Treaties and compacts. Land in the state which has been administered by the United States under interstate compacts will continue to be administered by the state in conformity with those compacts.

Source: Laws 1980, ch. 53, 1.

36-12-106. Multiple use. The land shall be used to foster, promote and encourage the optimum development of the state's human, industrial, mineral, agricultural, water, wildlife and wildlife habitat, timber and recreational resources.

Source: Laws 1980, ch. 53, 1.

36-12-107. Proceeds to the general fund. The proceeds of sales, fees, rents, royalties or other receipts from the land paid to the state under this act [36-12-101 to 36-12-109] shall be deposited in the general fund.

Source: Laws 1980, ch. 53, 1.

36-12-108. Exclusive enforcement; penalties.

(a) The state has exclusive jurisdiction to enforce the provisions of this act [36-12-101 to 36-12-109].

(b) An individual may institute a civil action to recover damages for injury or loss sustained as the result of a violation of the provisions of this act.

(c) Any person who attempts to exercise jurisdiction over land secured under this act in a manner not permitted by the laws of the state is guilty of a felony punishable by imprisonment for not less than two (2) years nor more than ten (10) years.

Source: Laws 1980, ch. 53, 1.

36-12-109. Definition.

(a) As used in this act [36-12-101 to 36-12-109] "land" means all land and water within the exterior boundaries of the state of Wyoming except land and water:

(i) To which title is held by a private person or entity;

(ii) To which title was held by the state or a municipality in the state before March 1, 1980;

(iii) Which is controlled by the United States department of defense on March 1, 1980;

(iv) Which was a national park, national monument, land held in trust for Indians, wildlife refuge or wilderness area established prior to January 1, 1980.

Source: Laws 1980, ch. 53, 1.

Wildlife Management Institute
1101 14th Street, N.W. • Suite 801 • Washington, D.C. 20005
Phone (202) 371-1808 • FAX (202) 408-5059

Statement of Lonnie L. Williamson
before the
Subcommittee on National Parks, Forests and Lands
House Committee on Resources
on
H. R. 2032
August 1, 1995

Mr. Chairman:

I am Lonnie L. Williamson, vice-president of the Wildlife Management Institute, which is headquartered in Washington, D.C. The Institute was established in 1911 and is staffed with trained and experienced wildlife managers and scientists located throughout the country.

The Institute strongly opposes enactment of H.R. 2032. We view this legislation as a serious threat to our nation's treasured wildlife heritage.

I have found it easy to underestimate how much the American people care for their public lands. The public domain has been a part of this country since its beginning, when individual states ceded land to the federal government. For nearly 200 years the federal policy was to dispose of those lands and encourage settlement. But late in the 19th Century, the nation began to change that policy. The Creative Act of 1891, which provides for the withdrawal of forest reserves, was among the first steps back from disposal. Another important declaration of how public lands should be managed came from the Public Land Law Review Commission, which Congress established in 1964. That bipartisan effort produced a 1970 report titled "One Third of the Nation's Land," which recommended that: "The policy of large-scale disposal of public lands...be revised and that future disposal should be of only those lands that will achieve maximum benefit for the general public in non-Federal ownership, while retaining in Federal ownership those [lands] whose values must be preserved so that they may be used and enjoyed by all Americans...." The most profound result of that recommendation is the Federal Land Policy and Management Act of 1976. That statute pointedly establishes a federal policy to retain public lands. H.R. 2032 would reverse that policy. And that is something with which we fundamentally disagree, because disposal, whether to states or other entities, probably would mean less management to conserve resources and less public access for recreational purposes.

Federal public lands are great assets to the western states, in our view. They not only provide significant income to the states and counties, they are what in large measure makes the West different from the Midwest, East and South. They are the reason people in all parts of the country admire western states and unfortunately are moving there in increasing numbers. The West now is the fastest growing area of the country. Rural areas in the West are expected to gain 800,000 people by the year 2000. Without federal public lands, the West would not be unique. Plus, the quality of life of all Americans would be reduced. A rich recreational legacy would be given away.

Public domain lands are the most ecologically diverse lands managed by any federal agency. The varied landscapes support nearly 3,000 species of wildlife, including every native North American big game animal, 23

species of upland game bids, internationally recognized raptor habitats, and more than 215 threatened and endangered species. The 270 million acres of land and 174,000 miles of feasible streams provided more than 65 million recreation visits in fiscal year 1994. This popularity is reflected in the estimate that 70 percent of all travel to the western states is pleasure. It's the best of both worlds....people come, spend their money and leave. The worth of recreation on BLM lands is impossible to estimate confidently. For sure, it is many billions of dollars annually.

It is highly unlikely, in our view, that these recreation resources could be maintained under state or private ownership. Virtually all public land states require that state lands be used for maximum revenue generation, which stacks the deck in favor of commodity production in the minds of most state land managers. At least that is the case so far.

What H.R. 2032 would give away in commodity resources is easier to approximate. Aside from timber, livestock forage and hardrock minerals, BLM lands contain 12.5 trillion cubic feet of proven natural gas reserves, 1.4 billion barrels of proven oil reserves and about one third of the nation's coal supply. The value of future royalties from federal oil, gas and coal reserves is $16.4 billion, $11.3 billion and $5.4 billion respectively. With all the hard work now underway to eliminate national deficits and debt, how could we possibly justify giving away these valuable resources belonging to American taxpayers? Indeed, they belong to all Americans.

Mr. Chairman, the states already get half of most income generated by public land resources, plus generous payments in lieu of taxes. Furthermore, individuals and families in public land communities benefit also. Surveys by the Economic Research shows that family income in counties with public land is approximately $2,000 higher than income in counties without a public land base.

We cannot think of a problem that would be solved by this legislation. But we see many that could be created by it.

Thank you for considering our views.

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Public Lands Foundation
P.O. Box 10403 McLean, Virginia 22102
For America's Heritage

TESTIMONY BEFORE THE HOUSE RESOURCES SUBCOMMITTEE
ON NATIONAL PARKS, FOREST AND LANDS
ON H.R. 2032
August 1, 1995

We thank you for this opportunity to appear here today to express our views on HR 2032 that would require the Secretary of Interior to offer to transfer the public lands administered by the Bureau of Land management to the states in which the lands are located. I am George Lea, president of the Public Lands Foundation. As a national organization of retired but still dedicated former BLM employees, the Foundation is a non-partisan advocate for sound public land management and has a unique body of knowledge and expertise regarding such. What is more important we have kept up with public land issues and truly understand what is happening to the public lands.

Historical

The idea of transferring public lands to the states is not new. During the 1930's the Garfield Commission made such a recommendation which was not acceptable to the American public and Congress passed the Taylor Grazing Act to strengthen the concept of federal management. In 1964 the Classification and Multiple Use Act (CMU) provided criteria to be applied to the lands before determining which should be identified for retention or disposal. In this process of public involvement many public meetings were held with state and local officials resulting in over 175 million acres being classified for retention in federal ownership. This began a process for stabilizing the tenure of retained public lands augmented by the Public Land Law Review Commission's report in 1970 that lead directly to another important event; enactment of an "Organic Act" for the public lands administered by BLM, the Federal Land Policy and Management Act of 1976 (FLPMA). In FLPMA Congress made a final legislative recognition as to the future status of these public lands by declaring that "the public lands be retained in Federal ownership, unless as a result of the land use planning procedures provided for in the Act, it is determined that disposal of a particular tract will serve the national interest." This policy declaration by Congress is the same as the decisions made regarding the status of public lands administered by the Forest Service in the Forest and Rangelands Renewable Resources Planning Act of 1974 and the National Forest Management Act of 1976.

Who is to Benefit

With the introduction of HR 2032 and similar legislation in the Senate, one needs to ask again, "What is the benefit of giving such gigantic public assets to a few states. What benefit does the average US citizen, the owners of these lands, receive by giving these assets, without compensation, to a small segment of the population." In our view there is little or no benefit to justify such a wind-fall giveaway. There are more than just dollars

and cents involved here. At stake is the protection and management of assets that belong to all citizens and our future generations. Over the short term a small net reduction in annual federal appropriation customarily required for management of the lands might be the only benefit with nearly an equal loss to the US Treasury in receipts from these lands. In FY 96 BLM land will return $1.2 billion in receipts. In the end, such savings of federal appropriations may not become a reality because none of the states currently have the resources to acquire the professional work force or the funds to support the management and protection of these lands and in all probability would accept the lands only on the condition that the needed financial resources come with the lands from the US Treasury. It is important to note that the federal receipts would be substantially greater had Congress authorized the collection of fair market value and/or royalties for the natural resources harvested from public lands, and a greater percentage of these receipts to be retained in the US treasury.

The reaction to this legislation on the part of the states will be most interesting. Currently, states receive close to 50% of the receipts from BLM lands (75% in the case of the Oregon and California lands and 90% of mineral receipts in Alaska) with no responsibility for management, protection, law enforcement, or liability and the associated expenses of such. Since these receipts will be over $340 million in FY 95 plus a sizable ($104M) federal Payment in Lieu of Taxes (PILT), one has to wonder why a state would support this transfer. It should be noted that this proposed giveaway is coming at a time when states are also trimming their budgets with the same reformist impulses domination Congress this year. Fire protection and suppression alone will require large annual state appropriations and "deep pockets" to handle emergency fire suppression costs and associated liabilities. Sadly, two fire fighters died last week on a BLM fire in Idaho.

Currently the only management that most state school lands receive is that provided by the management of the surrounding federal lands. This is understandable since most state land department's are quite small and their only mission is to generate revenue for the school system from the state lands with no effort directed towards management or protection. In Utah and most states a loss of the receipts (in Utah over $3M in FY93) from public lands to the State School Trust Fund would have major impact on Utah schools. In many, if not all states, the state constitutions may require amendment to provide authority to acquire and retain the public lands.

On the other hand in the case of Wyoming and New Mexico, one could understand why they could support this legislation. BLM manages about 33 percent of all coal resources in the US, a 200 year supply, with nearly 65% of the current total production coming from federal reserves in Wyoming. In addition when the development now underway of the Green River Formation is completed, Wyoming will become the largest producer of natural gas in the US, the majority of which will come from BLM lands. In the case of New Mexico, over 3.5 million acres are under federal oil and gas leases.

With state ownership, the public land livestock user, other federal lease holders and large corporations see this legislation as one step closer to the day when they can acquire title to

the public lands. Many states like Nevada have already disposed of much of the lands they received under their Enabling Acts. We see this hope of private ownership as a major force behind this legislation.

Legislation shortfalls

If Congress is sincere in their effort to give federal assets to the states, then other public lands should be included in the offer. We have been told through the years that BLM lands are, after all, the "lands no one wanted"; that "they are what was left after the good lands were all homesteaded", etc., leaving just rim rocks, scab lands and alkali lake beds. This is not the case, but some may believe it to be, and to be fair with the states Congress should not limit the choices to just BLM lands but provide the states the opportunity to acquire perhaps higher value lands therefore the public lands administered by the Forest Service, including the National Grasslands, and the public lands managed by the US Fish and Wildlife Service must be included in the legislation. In the case of the US wildlife refuges, the ultimate status of these lands has not been determined by Congress with the passages of an Organic Act as in the case of BLM and FS lands. In addition, the state fish and wildlife agencies are perhaps the best equipped of all state agencies with professional capabilities to manage these refuges. In the case of the National Grasslands, they were at one time under private agricultural production and the states may be interested in acquiring them for sale to private ownership for commodity production again.

HR 2032 proposes a minimum of a 12 year hiatus period in which the management of the offered lands would be in limbo. Two years for the Secretary to offer the lands, with no time limit for the Governor to respond to the offer, is then followed by a ten year delay in transferring the lands after the date on which the offer was accepted by the Governor. During this indefinite period one would assume that the BLM, FS or FWS would continue to manage the lands but not without the States involvement. For example if FS wanted to issue a 30 year ski-lift permit one would think the state would want to be involve in such a decision. The uncertainty during this period (it could be 20 years), the limitations on BLM appropriations and waning interest in management by the federal agency(s) would indicate that if the lands are to transferred to the state it should be done much more promptly.

Numerous federal statutes are being negated covertly by HR 2032. The Wild Horse and Burro Act, the Antiquities Act, ESA, NEPA, and the 1872 Mining Law to name a few. In addition HR 2032 does not address the future management of such areas as the Snake River Birds of Prey National Conservation Area, all other NCAs, Wild and Scenic Rivers, or Areas of Critical Environmental Concern. Also it is not clear how other public land withdrawals would be handled by the states. For example would existing mineral or recreational withdrawals be honored by the state? And how will public access for hunting and recreation to these lands be assured by the states?

Under HR 2032 all valid existing leases and permits would be honored by the state. Military withdrawals would be honored but those lands for which there is to be no continuing military use, are to be decontaminated by the federal treasury. This, of course would be a multi-billion dollar expense. Many of the existing military withdrawals will be expiring in the next ten years. If it is decided to continue to use the public land for

national defense purposes the federal government would find itself having to pay a commercial rate for the use of land that it had just given to the states.

An Alternative

We see no way that this legislation can be fixed so that it is in the public's interest. However, we offer the following as an alternative that would contribute to progressive public, state and private land management.

It is a well know fact that the public lands administered by the Bureau of Land management are the remains of the original public domain. Due to the nature of settlement and other public land disposals and reserves over the past two hundred years, the lands under BLM stewardship are more an accident of history than an orderly system of land tenure. The resulting pattern of the public land ownership of the western public land states, while containing substantial solidly blocked areas, is a scattered ownership pattern in many areas. The need to reposition this ownership pattern grows daily and is elementary to efficient management of all ownerships of land involved and particularly to effective management of the public lands as required by the Federal land Policy and Management Act. A strong case can be made that the existing land pattern in many areas is most inefficient and costly for all land owners in the public land areas. We believe it is time for the federal government to become pro-active and committed to a program of land exchange and the selling of isolated public land tracts all designed to improve the ownership pattern of the public land areas. The primary purpose of this new program thrust should be to improve the BLM public land pattern and not to use BLM public lands to establish or improve National Parks, Forests, or Refuges. These land transactions should be kept local, within each County as much as possible as not to disrupt the current PILT program.

The PLF proposes a 10 year program to accelerate improvement in the public lands land pattern. Our proposal would contain three phases as follows. A similar program may be beneficial in improving the land patterns and to tighten-up and straighten-out the boundaries of FS and F&WS management areas.

Phase I- Congress mandates a 10 year program. First 18 months--BLM, State, and the private land owners and the general public would identify those public lands to be available for non-federal ownership through exchange; state and private would identify non federal lands available for exchanging with the BLM land. In many cases BLM's Resource Management Plans have already identified areas needing land pattern improvement and/or public lands available as trading stock in exchange for private/state lands.

A Public Land Pattern Commission would be established to over-see and help expedite the land adjustment program. Membership would come from the state, private and BLM.

The program would also encourage 3rd party "facilitators" to aid exchanges and authorize such groups for reimbursement of their costs to facilitate these exchanges not to acceded 3% above their costs including acquisition costs.

To facilitate such reimbursements and to aid in equalization payments, a **"Public Lands Trust Fund"** would be established. Receipts from public land sale and other public land receipts would be placed in this fund to aid and expedite future land exchanges.

Phase II- A 8 1/2 year period of proactive land exchanges. To expedite this program we suggest that the clearance phase for public lands leaving public ownership not be required at the time the federal title transfers. A more appropriate time for these assessments and clearances may be when a proposed change in use is made and a determination by the responsible entities, be they local, state or federal, is made that the use is consistent with the local and use plans or if special authorizations and permits are required.

Phase III- At the end of the 10 year period, the remaining public land originally identified as available for disposal through exchange, would be reassessed if they should be retained as public land or sold or transferred to the State.

We note that the Report on HR 1977, the Department of the Interior and Related Agencies Appropriation Bill, 1996, contains two requirements both directing the Secretary of Interior to work with the States in developing pilot plans and alternatives to wholesale transfer of public lands to the states. One of these directives has elements of our three phased proposal. HR 1977 directs the Secretary to work with the State of New Mexico to identify BLM lands potentially suitable for disposal through sale or exchange. The other direct the Secretary to develop pilot plans for joint federal/state management for selected BLM resources area or counties. It occurs to us that Congress should have the benefit of the results of these experiments before proceeding with a public land disposal policy.

Mr. Chairman, we hope these comments and our suggested alternative will be of value to the committee. We are sincere in our efforts to see the public lands managed well.

Testimony of Dr. Mike L. Baughman
to House Resources Subcommittee on National Parks,
Forests and Lands
Concerning Transfer of Public Land Management
to States and Locales

August 1, 1995

Mr. Chairman, members of the Committee, my name is Mike L. Baughman and I am President of Intertech Services Corporation, Carson City, Nevada. During 1994, Intertech was part of a team of consultants retained by the Board of Eureka County Commissioners to investigate the comparative costs and revenues of land management by several western states and the Bureau of Land Management. Based upon this comparative analysis, preliminary estimates of the revenues and expenses of an expanded state land management function were developed for Nevada. In addition, the research identified a variety of institutional factors which might serve to influence costs or revenues. The study for Eureka County was managed by Resource Concepts, Incorporated of Carson City. Intertech's role was to develop the comparative analysis and estimates of land management costs and returns.

Within Nevada, an estimated 87 percent of the land area is managed by the federal government. Approximately 76 percent of the lands within Eureka County are administered by the Bureau of Land Management. Current uses of public lands in Eureka County are very diverse. Geothermal energy sources have been developed. Outdoor recreation, including hunting and fishing bring tourist dollars into local economies. Eureka County is host to several of the world's largest open-pit gold mines. The range livestock industry has been a long-standing source of stability for the local economy.

In response to institutional uncertainty regarding mining related access and ranching tenure upon public lands, the Board of Eureka County Commissioners have embarked upon a course to better understand the merits of local and state administration of public lands. To date the County has established a Public Lands Commission, hired a natural resources manager, and has undertaken the study entitled, Identification of Public Land Transfer Issues and Preliminary Comparative Economic Analysis. Currently, Eureka County is evaluating alternative operating structures for expanded state or state/local management responsibilities on public lands. Each of these activities is intended to inform local, state and federal decision-makers as well as prepare the County for the possibility that it may be vested with an expanded land management authority. The balance of my testimony will focus upon the preliminary comparative economic analysis prepared for Eureka County.

Paced with the institutional uncertainty associated with federal administration of public lands and confronted with the potential for expanded state and/or local authority to manage said lands, the Board of Eureka County Commissioners sponsored research intended to answer the following questions:

1. To what degree have other states been able to generate net revenues as a result of land management activities?

2. What levels of revenue and expenditure have other states historically incurred in the management of lands?

3. What have been the major revenue sources from land management activities of other states?

4. In the event the State of Nevada were successful in assuming administrative authority for public lands within the state, what levels of revenue might be possible and what levels of expenditure might be required?

5. In the event the State of Nevada were successful in assuming administrative authority for public lands within the state, what is the potential for related land management revenues to exceed expenditures?

6. To what degree has the Bureau of Land Management been able to generate net revenues as a result of land management activities within selected states?

7. What levels of revenue and expenditure has the Bureau of Land Management typically historically incurred through management of lands?

8. What have been the major revenue sources from land management activities of the Bureau of Land Management?

The comparative analysis focuses upon land management activities within the states of Arizona, New Mexico, Utah and Idaho. The four states were selected on the basis of their similarities to Nevada. For example, Utah contains a portion of the Great Basin and consequently has many similar physiographic characteristics to Nevada. Although the four states have many natural features similar to Nevada, there are important differences which tend to influence public land

management costs and revenues. Utah, for example, contains coal producing regions. Idaho is characterized by extensive forest resources. New Mexico's land area supports extensive production of oil and gas. The study considered both revenues and costs and production of outputs for both federal and state land management agencies. In addition to using data from multiple states, thereby providing spatial control, information covering five fiscal years was utilized (FY89 - FY93). Data obtained for this analysis was consequently able to reflect broad geographical and temporal conditions.

At the federal level, the evaluation was limited to consideration of the Bureau of Land Management (BLM). Because BLM administers the vast majority of all public lands within Nevada, focus upon this agency within this preliminary study was appropriate. The analysis of BLM included statewide revenue, cost and output features for the states of Idaho, Utah, Arizona, New Mexico and Nevada. BLM data on revenues and outputs was obtained largely from annual reports (USDI, 1989 through 1993). Expenditure and employment information was provided by BLM state office staff in the form of unpublished tables and reports.

Because Nevada presently does not administer a comparable level of land area, collection of statewide land management revenue, cost and output data was limited to the states of Idaho, Utah, Arizona and New Mexico. The absence of comparable Nevada data should not be seen as a deficiency of this analysis. In fact, a primary objective of this research was to develop an assumed cost and revenue structure for an expanded land management function by the State of Nevada. State land management cost, revenue, output and employment data were obtained from annual reports and contact with staff of state land management agencies.

The compiled information was first arrayed by state and by year to facilitate multi-year comparisons. Observed high, observed low, and five and four year averages were then derived for the state and BLM data, respectively. This approach provided state by state ranges of revenue, expenditure and output information. The five and four-year average data for states and BLM, respectively, were then combined to derive multi-state averages for revenues, expenditures and outputs. The multi-state data provided a picture of observed high, observed low and average revenues, expenditures and outputs across all states. The derivation of this information for state land management agencies was particularly useful in establishing bounding limits within which prospective annual figures for Nevada might be derived.

Having estimated observed highs, observed lows and multi-state average revenues, expenditures and output levels, estimates of prospective figures for Nevada with an assumed expanded state land base were developed. These initial estimates assume that revenues and costs associated with management of an expanded state land base in Nevada would fall within the range of observed costs and revenues observed in other states.

Regression analysis was also applied to observations of cost and revenue for other states to attempt to explain the relationship of total acreage to net fiscal condition. In addition, trend analysis was utilized to provide an alternative estimate of revenues and costs which might characterize management by the State of Nevada of an estimated 48,000,000 acres (BLM land area in Nevada). Each of these methods provided different estimates of the potential revenue and cost for an expanded state land management authority in Nevada. The analyses did however, provide a useful set of financial boundaries upon which further investigation can be focused. The collection and analysis of state and BLM land management costs and revenues produced a variety of findings useful to decision-makers considering expansion of the state management responsibilities for public lands in Nevada.

Table 1 provides a summary of trends in costs, revenues, output and employment for land management activities of the states considered within this study. The table suggests that during the five year study period, revenues per acre have shown a consistent increase across all states. For all states considered, revenues have increased faster than expenses resulting in increasing net profits per acre. In every case, total acreage of state lands decreased during the five years. This trend suggests a consistent pattern in which states are selling and/or exchanging lands under their jurisdiction.

The number of persons employed by state land management agencies has grown in Arizona, Idaho and New Mexico (Table 1). Utah on the other hand has achieved a reduction in FTE's during the five year period. On an acre per FTE basis, Utah was the only state among those considered which achieved an increase in the number of acres managed per person. Each of the four states considered established a trend of increasing revenues per FTE during the five years. Utah was the only state evaluated which attained a reduction during the study period in expenses per FTE. With the exception of New Mexico (where no appreciable change was detected), each state considered has increased its net profit per FTE during the five years study period.

In the case of grazing revenues per acre, little change was detected during the five years in the states of Arizona and Idaho. New Mexico and Utah, achieved growth in grazing revenues per acre during the five year period between 1989 and 1993. In only one case (Idaho) was an appreciable increase in animal unit months (AUM) of forage per acre identified during the study period. AUM per acre levels in the other states considered remained largely unchanged during the same period.

Table 1
Percent Change in Costs, Revenues, Output and Employment for
Selected State Land Management Programs: FY89 to FY93

Category	State			
	Arizona	Idaho	New Mexico	Utah
Revenues Per Acre	+14	+87	+15	+13
Expenses Per Acre	+32	+45	+41	-34
Net Profit Per Acre	+11	+1.6	+14	+43
Total Acres	-1	-1	-1	0.01
Total FTEs	+8	+14	+13	-3
Acres Per FTE	-8	-13	-13	+3
Revenues Per FTE	+5	+63	+1	+16
Expenses Per FTE	+21	+26	+24	-32
Net Profit Per FTE	0.01	+1.26	0.01	+47
Grazing Revenues Per Acre	+5	+7	+4.1	+8
AUMs Per Acre	0.01	+4	0.01	-1

During the five year study period, Idaho achieved the highest five-year average revenue per acre ($15.56) among the four states considered (Table 2). Idaho's ability to generate greater revenues per acre is felt to be related to the significant contribution of timber sales on state lands. Idaho's forest management program contributes to that state having the highest five-year average expense per acre.

During the period of 1989 through 1993, New Mexico achieved the lowest expense per acre of state land managed ($0.43). This relatively low expense rate per acre is in part the result of the fact that New Mexico manages one-third to five-times as much land as do other states considered. New Mexico's low cost per acre suggests that costs may decline as total acreage managed increases. Due largely to it's oil and gas resources, the State of New Mexico had the second highest five-year average revenue per acre ($10.00). As a consequence of it's relatively high revenue per acre and low costs per acre, the State of New Mexico enjoyed the greatest profit per acre from state lands during the five year study term.

Table 2
Five Year Average Revenues, Expenditures, Employment and Output
for State Land Management Activities in Selected States: (1989-1993)

	5 Year State Averages			
	Arizona	Idaho	New Mexico	Utah
Revenues	$53,996,095	$37,135,172	$133,243,099	$24,879,522
Expenses	$9,853,056	$21,524,275	$5,703,916	$8,585,435
Net Profit (Loss)	$44,143,039	$15,610,897	$127,539,183	$16,294,087
Total Acres	9,442,484	2,389,144	13,320,000	3,738,252
Revenues per Acre	$5.72	$15.56	$10.00	$6.66
Expenses per Acre	$1.04	$9.01	$0.43	$2.30
Net Profit per Acre	$4.67	$6.54	$9.57	$4.36
Total FTEs	161	242.1	140.4	94.34
Acres per FTE	58,704	9,888	95,037	39,636
Revenues per FTE	$336,254	$152,437	$949,088	$263,685
Expenses per FTE	$61,114	$88,676	$40,517	$90,757
Net Profit per FTE	$275,140	$63,761	$908,571	$172,929
Grazing Revenues	$1,740,020	$1,172,833	$5,901,873	$437,464
Grazing Leases	1,529	1,285	3,400	1,520
Total Grazing Acres	8,443,643	1,886,832	8,700,000	3,500,000
Revenues per Acre	$0.21	$0.62	$0.68	$0.12
AUMs preferenced	1,214,663		1,712,000	
AUMs by actual use	1,152,811	239,567		160,000
AUMs preferenced per acre	0.1439	0.1270	0.1968	0.0457
Price per AUM	$1.42	$4.98	$3.55	$1.60
Timber Sales Revenues		$25,408,596		$24,259
Timber Sold (MBF)		224,833		1,412
Revenues per MBF		$113.89		$27.27
Oil & Gas Lease Revenues	$87,782		$14,483,808	$2,278,330
Oil & Gas Royalties			$104,451,012	$8,480,695
Oil & Gas Leases	62			2,677
Oil & Gas Acres Leased	76,060			1,521,615
Revenues per Leased Acre	$1.18			$1.49
Royalties per Leased Acre				$5.89
Other Mineral Revenues	$201,325	$157,616	$354,436	$30,146
Other Mineral Royalties			$3,419,235	$63,865
Other Mineral Leases	518			
Other Mineral Acres Leased	34,343			
Revenues per Leased Acre	$6.37			
Royalties per Leased Acre				

Among the four states considered, estimated average revenue per acre during the past five years was $9.48 (Table 3). This average compares to observed high and low revenues of $15.56 and $5.72 per acre, respectively. State land management expenses averaged an estimated $3.20 per acre during the period 1989 through 1993. During this same period, the observed high and low expense levels per acre were $9.01 and $0.43, respectively (see Table 3). These ranges of costs, revenues, employment and output provide bounding within which estimates of fiscal outcome associated with an expanded state land base in Nevada might be developed.

A primary objective of this research was the development of estimates of the potential costs and revenues which might attend assumption by the State of Nevada of administrative authority for the nearly 48,000,000 acres of public land now managed by the Bureau of Land Management (BLM). Information regarding the prospective fiscal viability of state administration of an expanded land area is essential to decision-makers who might now or may in the future deliberate upon a transfer of administrative responsibility.

The analysis of state land management agency costs and revenues for Arizona, Idaho, New Mexico and Utah help frame assumptions about fiscal outcome associated with an expanded state land base in Nevada. With regard to revenue potential, the states of Arizona and Utah were judged most analogous due to the limited timber and potentially limited oil and gas resources within Nevada (key outputs for Idaho and New Mexico, respectively). With regard to expenses, the experience of other states may not explicitly suggest a lower per acre bounding limit, largely due to economies of scale which would be expected. However, confounding factors such as fire suppression costs could serve to prevent such economies from being fully realized.

Table 4 provides a summary of estimated fiscal and operational outcomes associated with the assumed administration by the State of Nevada of the 47,966,217 acres of public land now managed by the BLM. When the observed five-year average cost and revenue structure for each of the four states considered is applied to the assumed land management area of Nevada, annual revenues ranging from a quarter-billion to three-quarters of a billion dollars are derived. At observed five-year average expense levels, administration of an expanded land base in Nevada might require annual expenditures ranging from $20,000,000 to over $400,000,000. Assumed net profit from state land management activities estimated by applying observed five-year average net profit levels might range from between $225,000,000 and $460,000,000. When the past five-year history of revenues and expenses for the four states is considered to produce an overall average, the assumed level of revenue and expense for an expanded state land base in Nevada is $454,000,000 and $153,000,000, respectively. Under the four-state average conditions, net profits of approximately $300,000,000 are assumed for an expanded state land administrative function in Nevada.

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Table 3
Multi-State Observed High, Observed Low and Average for Revenues, Expenditures, Employment and Output for Statewide Management Activities: (1989-1993)

	Multi-State Averages		
	Observed High	Observed Low	Average
Revenues	$133,243,099	$24,879,522	$62,313,472
Expenses	$21,524,275	$5,703,916	$11,416,671
Net Profit (Loss)	$127,539,183	$15,610,897	$50,896,802
Total Acres	13,320,000	2,389,144	7,222,470
Revenues per Acre	$15.56	$5.72	$9.48
Expenses per Acre	$9.01	$0.43	$3.20
Net Profit per Acre	$9.57	$4.36	$6.29
Total FTEs	242.1	94.34	159.46
Acres per FTE	95,037	9,888	50,817
Revenues per FTE	$949,088	$152,437	$425,366
Expenses per FTE	$90,757	$40,517	$70,266
Net Profit per FTE	$908,571	$63,761	$355,100
Grazing Revenues	$5,901,873	$437,464	$2,313,048
Grazing Leases	3,400	1,285	1,934
Total Grazing Acres	8,700,000	1,886,832	5,632,619
Revenues per Acre	$0.68	$0.12	$0.41
AUMs preferenced	1,712,000	1,214,663	1,463,332
AUMs by actual use	1,152,811	160,000	517,459
AUMs preferenced per acre	0.1968	0.0457	0.1283
Price per AUM	$4.98	$1.42	$2.89
Timber Sales Revenues	$25,408,596	$24,259	$12,716,428
Timber Sold (MBF)	224,833	1,412	113,122
Revenues per MBF	$113.89	$27.27	$70.58
Oil & Gas Lease Revenues	$14,483,808	$87,782	$5,616,640
Oil & Gas Royalties	$104,451,012	$8,480,695	$56,465,854
Oil & Gas Leases	2,677	62	1,370
Oil & Gas Acres Leased	1,521,615	76,060	798,837
Revenues per Leased Acre	$1.49	$1.18	$1.34
Royalties per Leased Acre	$5.89	$5.89	$5.89
Other Mineral Revenues	$354,436	$30,146	$185,881
Other Mineral Royalties	$3,419,235	$63,865	$1,741,550
Other Mineral Leases	518	518	518
Other Mineral Acres Leased	34,343	34,343	34,343
Revenues per Leased Acre	$6.37	$6.37	$6.37
Royalties per Leased Acre	$0.00	$0.00	$0.00

Table 4
Estimated Revenues, Expenditures and Employment for Expanded State Land Management Activities in Nevada Using Other State Fiscal Models

	State of Nevada Estimates				
	Arizona Model	Idaho Model	New Mexico Model	Utah Model	Average Model
Total Acres (1992)	47,966,217	47,966,217	47,966,217	47,966,217	47,966,217
Revenues per Acre	$5.72	$15.56	$10.00	$6.66	$9.48
Expenses per Acre	$1.04	$9.01	$0.43	$2.30	$3.20
Net Profit per Acre	$4.67	$6.54	$9.57	$4.36	$6.29
Revenues	$274,191,774	$746,150,851	$479,831,253	$319,273,023	$454,861,725
Expenses	$50,076,146	$432,376,759	$20,556,537	$110,146,840	$153,289,070
Net Profit (Loss)	$224,115,628	$313,774,092	$459,274,716	$209,126,183	$301,572,655
Acres per FTE	58,704	9,888	95,037	39,636	50,817
Total FTEs	817.08	4,850.76	504.71	1,210.16	943.91
Grazing Acres	47,282,570	47,282,570	47,282,570	47,282,570	47,282,570
AUMs preferenced	2,412,358	2,412,358	2,412,358	2,412,358	2,412,358
Price per AUM	$1.42	$4.98	$3.55	$1.60	$2.89
Grazing Revenues	$3,416,984	$12,003,893	$8,563,871	$3,854,948	$6,959,924

As shown in Table 4, 500 to 1,200 FTE's might be required to provide management capabilities for an expanded state land base in Nevada. Economies of scale would suggest that as the total land area to be managed increases, the number of acres per FTE would also increase. As a consequence, management of the 47,966,217 acres of public land now administered by BLM in Nevada might be possible using less than 500 FTEs. As with revenues and expenses, the actual number of FTEs required for administration of an expanded state land base in Nevada would be largely dependent upon land management policies adopted by the state.

Potential net revenues on the order of $200 to $300 million dollars implies a potentially lucrative motivation for pursuit of transfer of administrative authority of existing BLM lands to the State of Nevada. As noted previously, several factors may serve to reduce the actual potential level of net profits or revenue which may be derived from an expanded state land base. Perhaps most important will be the natural resource characteristics of the lands themselves. As has been discussed, lands administered by the State of Idaho contain extensive commercial forests which contribute to high revenues per acre. New Mexico state lands include extensive oil and gas

resources which have fostered high revenue generation per acre. Likewise, Utah state lands contain extensive fossil energy and mineral resources. While an expanded state land base in Nevada would likely contain mineralized areas and potential for fossil fuel production, the likelihood that such resources would be contained within most of the 47,966,217 acres now administered by BLM is not great. As a consequence, a significant (yet admittedly unknown) portion of the public lands in Nevada would not have the potential to generate net revenues of the magnitude observed for other states considered in this study.

To further understand the possible implications of diminishing returns per acre across an expanding land base, trend analysis was applied to cost and revenue data collected for the four states considered in this research. When the results of the trend analysis were employed to predict potential annual revenues and expenses for an expanded state land base in Nevada, net revenue on the order of $150,000,000 is estimated (revenues of $172,000,000 and expenses of $18,000,000). At 47,966,217 acres, the cost and revenue per acre for an expanded state land base in Nevada would be $3.58 and $0.38, respectively. A summary comparison of revenue, cost and net profit estimates for other states considered and the State of Nevada (under conditions of an assumed expanded state land base) is provided in Table 5.

Table 5
Summary Comparison of State Land Management
Revenue, Cost and Net Revenue Estimates Per Acre:
State of Nevada and Selected States

	Nevada Scenario A[1]	Nevada Scenario B[2]	Arizona[3]	Idaho[3]	New Mexico[3]	Utah[3]
Revenues Per Acre	3.58	5.72	5.72	15.56	10.00	6.66
Expenses Per Acre	.38	3.20	1.04	9.01	.43	3.20
Net Profit Per Acre	3.20	2.52	4.67	6.54	9.57	6.29

1/ Derived through trend analysis of combined five-year average data for other states considered.

2/ Derived based upon application of lowest observed average revenue per acre and highest (excluding Idaho) observed average expense per acre.

3/ Five-year averages.

The analysis of other state land management revenue, cost, employment and output characteristics is useful in understanding prospective fiscal implications for an expanded state land base in Nevada. Although limited to four state land management entities, the results provide clear evidence of the potential for state land management activities in Nevada to generate revenues in excess of expenses. Several caveats must be considered however when seeking to estimate prospective revenues and costs for an expanded state land base in Nevada.

First, are the variations in physiographic characteristics between Nevada and other states considered in the analysis. These differences concern both availability of non-renewable and renewable resources. Unlike Idaho, Nevada does not have appreciable commercial forest resources. The availability of oil and gas resources within Nevada is uncertain. Mineral potential has been demonstrated by extensive mining activities within the state. The potential for additional mining development is considered good, but highly dependent upon market forces. For Nevada to derive the levels of net revenues previously described, extensive oil and gas and/or expanded mining activities would likely be necessary. It is important to note that Nevada derived just over $40 million in net proceeds mining taxes during 1993. If mining in the state were to be expanded significantly, mining tax revenues might be significantly increased.

Second, the analysis of cost and revenue data conducted during the study did not explicitly consider differences in state land management policies. The study does suggest that management policies do differ between states and between states and BLM. Land sales, are an important source of revenue, both for states and for BLM. If total revenues per acre of the magnitude previously describe are to be achieved through management of an expanded state land base, land sales may be required to bolster revenue generation potential. The potential for land sales (at a rate commensurate with existing federal management strategies) to provide significant revenues to the State of Nevada appears very real. According to existing BLM plans, 380,000 to 1.4 million acres may be suitable for disposal or exchange in Nevada. At $500 per acre, disposal of these lands would generate $190 million to $700 million in revenue. Placed into a trust, proceeds from these invested funds could provide an important source of revenue to sustain land management activities.

Third, it is important to note that this study did not account for trends in natural resource condition. States may be generating excess revenues at the expense of ecosystem condition. As a consequence the ability to sustain levels of revenue generation in the future may be challenged. Alternatively, states may be managing their natural resources in a manner consistent with sustained yields. Additional research into state land management policies and practices which have produced reported patterns of revenues and expenses is recommended.

Finally, the study identified a variety of institutional/legal issues which could serve to influence cost and revenue associated with management of an expanded land area by the State of Nevada.

As a highly urbanized state (the vast majority of Nevada's residents reside in metropolitan areas), much uncertainty attends the nature of the management philosophy which might be adopted by the state. A management approach placing highest priority upon preservation of resources might, in contrast to a system promoting maximization of short-term economic returns, tend to increase costs and reduce revenues. It is not clear what policies would be adopted by the state regarding fire suppression. Costs for both fire suppression and legal services were not considered in the study. Pre-existing rights may restrict state management of public land resources. In addition, the state may assume liability for environmental problems associated with historical land uses (mining, refuse disposal). Decisions would need to be made regarding disposal of lands as an acceptable facet of an expanded state land management program. Significant net revenues may lead to establishment of a growing land management bureaucracy.

What then does the analysis suggest with regard to the questions posed at the beginning of this testimony? Following is a brief answer to each of the previously stated questions.

1. To what degree have other states been able to generate net revenues as a result of land management activities? **In each of the four states considered, during each of the past five years, annual net positive revenues ranging from $4.67 to $9.57 per acre have been achieved.**

2. What levels of revenue and expenditure have other states historically incurred in the management of lands? **During the past five years, average annual revenues across the four states considered in this analysis have ranged from $5.72 to $15.56 per acre. Expenditures have ranges from $0.43 to $9.01 per acre.**

3. What have been the major revenue sources from land management activities of other states? **Primary revenues sources from state land management activities include oil and gas, timber, land sales and mining.**

4. In the event the State of Nevada were successful in assuming administrative authority for public lands within the state, what levels of revenue might be possible and what levels of expenditure might be required? **Based upon observed levels of revenue and expenditure for neighboring states, revenues of $3.58 to $5.72 per acre and expenditures of $0.38 to $3.20 per acre may be plausible for an expanded state land base in Nevada.**

5. In the event the State of Nevada were successful in assuming administrative authority for public lands within the state, what is the potential for related land management revenues to exceed expenditures? **Based upon the experience of other states, it is very possible that revenues would exceed expenditures for administration of an expanded state**

land base in Nevada.

6. To what degree has the Bureau of Land Management been able to generate net revenues as a result of land management activities within selected states? During the period 1989 through 1992, BLM land management programs in the states of Nevada, Arizona, Idaho, Utah and New Mexico each spent significantly more than was generated in revenues.

7. What levels of revenue and expenditure has the Bureau of Land Management typically historically incurred through management of lands? During the period 1989 through 1992, BLM revenues averaged $0.22 per acre across the five-state study area. During this same period, expenditures by BLM for land management averaged $2.08 per acre.

8. What have been the major revenue sources from land management activities of the Bureau of Land Management? Among the most significant revenue sources for BLM observed during the period of 1989 through 1992 were grazing, land sales, and royalties from oil, gas and minerals.

In closing, let me emphasize that our study implies that state management of public lands in Nevada can be done in a manner resulting in net revenues. This result assumes however, that a state land management approach would more closely resemble other state land management philosophies rather than those currently practiced by the federal government. States appear to manage lands from a perspective of generating of net revenues. Alternatively, BLM appears to be constrained by federal requirements resulting in expenditure of significant sums of money on management activities resulting in little or no economic return. Conditions imposed by the Congress and/or the Courts upon state administration of public lands may significantly impact upon resulting land management costs and revenues.

MINERAL POLICY CENTER

• 1612 K STREET, NW, SUITE 808 • WASHINGTON, DC • 20006 • 202-887-1872 •

Statement of

Mineral Policy Center

presented by
Philip M. Hocker, President

to the
Subcommittee on National Parks,
Forests, and Lands,
Honorable James V. Hansen, Chairman,
of the
Committee on Resources,
United States House of Representatives

regarding
H.R.2032,
"A Bill to transfer the lands administered by the
Bureau of Land Management
to the State in which the lands are located."

a.k.a.

The Triple-Trillion-Takeover

1 August 1995
Washington, D.C.

Chairman Hansen, members of the Subcommittee:

My name is Philip M. Hocker; I am President of Mineral Policy Center. Mineral Policy Center is a nonprofit national citizen organization of 2,500 members, dedicated to the adoption of policies which serve the long-term national interest for environmentally-clean and fiscally-responsible management of our mineral resources.

On behalf of the Center and of many other concerned citizens, I thank you for the opportunity to testify before this Subcommittee today. My testimony will address only the mineral aspects of H.R.2032.

H.R.2032, the Triple-Trillion Takeover, is an irresponsible proposal. It would Balkanize American lands, creating little Bosnias and Serbias in the American West in place of the United States' common public-land heritage. I urge the Resources Committee to abandon this bill, and to move forward toward comprehensive reform of the 1872 Mining Law, and a more modest and balanced approach to United States land management issues.

H.R.2032: A $3.29 TRILLION Betrayal of the National Interest

H.R.2032 would give away $3.29 Trillion in mineral wealth which belongs to the people of all the United States.

H.R.2032 should be "scored" as Tripling the Federal Budget for FY'96, since the United States wealth it would give away is more than twice the entire FY'96 expenditure approved in the Budget Resolution ($1.588 Trillion).

H.R.2032 would not only give away ownership of these minerals, it would give them away with no management controls, no obligation to pay a royalty to the United States for their sale, and no safeguards for national strategic security interests in these resources.

Public Lands, Public Interest, and Public Debt

Since the Founding of the United States, individual states have joined together to strengthen the whole nation. Pooling the nation's unsettled lands has been an important part of that unification since October 30, 1779. Then, Congress asked those states which held vast territories in the West, beyond the Appalachian divide, to cede their claims to the whole United States.

Seven of the original states made immense land concessions to bind the whole country together. Virginia's grant was the largest. It deeded over to the United States most of the area north of the Ohio River, west to the Mississippi. Altogether, these gifts totaled 237 million acres -- 10.2% of the United States' total area, more than thirty-seven times the area of Maryland.

The United States lands have been considered an important financial resource, and linked to the public debt, since passage of the Funding Act of 4 August 1790. This law pledged the proceeds from sale of national lands for the discharge of the national debt.[Dewey] At times, revenue from the public lands has been a major portion of the total annual income to the United States Treasury.

Now, in 1995, the national debt has been more rapidly increased since President Reagan took office than ever in our national history. The storehouse of wealth on the United States' lands is a vital financial asset which should be used prudently to help offset current-account budget deficits. It would be incredibly foolish to give away the trillions of dollars in minerals these lands contain.

The Triple Trillion Takeover

Three-Point-Two-Nine Trillion Dollars worth of coal, oil, gas, gold, silver, sand, gravel, and other valuable minerals would be disposed of under H.R.2032, and ***the Treasury would not receive a penny!***

The $3.29 Trillion Dollar Takeover is made up of the following major components:

* **Coal: 2,872 Billion Dollars** The United States owns about 132 billion tons of coal in the ground in six Western states: Montana (80.8), Wyoming (33.3), and Colorado, New Mexico, North Dakota, and Utah. Alaskan reserves (which H.R.2032 would also dispose) are not counted. At current overall average prices, this coal in the ground would bring $2,872 Billion dollars if sold.[Averitt, EIA]

* **Oil & Gas: 288 Billion Dollars,** is the market value at current prices of the 12.1 billion barrels of oil, and 65.8 trillion cubic feet of natural gas, which are estimated to lie in onshore Federal reserves (mean estimates). This number is conservative because today's spot price for natural gas which is used, $1.43/mcf, is far below the $2.44 level at which some futures contracts have traded this year. Also, these figures are for conventional recovery and do not include reserves which enhanced oilfield

recovery techniques will access in the future.[Dolton, NYT]

* **Gold, Silver, &c: 130 Billion Dollars** worth of gold, silver, and other "Hardrock" minerals which are disposed of by the 1872 Mining Law are estimated by Mineral Policy Center to remain under the public lands which H.R.2032 would dispose. In 1992, the General Accounting Office identified $64.9 billion in hardrock minerals on United States lands at currently operating mines. This amount did not include resources in the ground at inactive mines, and had no estimate of ores still to be discovered. Over the life of the 1872 Mining Law that Act has given away $231 Billion worth of United States minerals. MPC believes that doubling the 1992 GAO figure is a very conservative estimate of the total hardrock mineral value which H.R.2032 would give away for free.[GAO-92, MPC]

* **Rock & Stone: 0.375 Billion Dollars** worth of construction rock, sand, building stone, and other "common variety" minerals will be sold or given away from Bureau of Land Management property over the next fifty years, at current annual rates ($7.5 million in FY1994).[BLM] While low in dollar value, these materials can be very important to local projects.

Not Counted in these figures are United States deposits of phosphates, lead, and other important materials. These are worth billions of dollars, but would not significantly change the total amount of H.R.2032's giveaway. Also not included are oil shale, tar sand, and tight-formation gas and oil deposits. These hydrocarbon reserves would greatly increase the total dollar figures if they were included. They are not economical to recover at present, though many experts predict that they will become economical in time.

All figures cited are gross values of the mineral resources, in place, that would be affected by this legislation, based on best available geologic estimates. Costs of extraction and processing are not deducted.

An Irrevocable Step:

H.R.2032 would not merely create a policy of free giveaway of United States mineral resources, it would make the giveaway all-encompassing, permanent, and irrevocable.

Congress has changed national policy regarding management of mineral resources from time to time. The enactment of the Mineral Leasing Act of 1920, for example, placed the "fuel and fertilizer" minerals under a leasing sys-

tem in place of the claim-location regime of the 1872 Mining Law. The 1920 Act established rates of royalty payments to the Treasury. These rates can be changed, or waived, from time to time in Congress's judgment.

However, when United States minerals pass into state or private ownership the disposal is one-way. The minerals cannot be re-acquired without just compensation, nor can the United States change its policy on payment for production, or on proper environmental standards specific to public lands.

The General Accounting Office has called for reform of the 1872 Mining Law for just these reasons: "Although the federal government has never collected revenues from the sale of hardrock minerals... GAO questions whether the government should be precluded forever from doing so."[GAO-89, emphasis added] H.R.2032 would preclude the United States forever from adopting different management policies for the public minerals.

An Unprecedented Raid

H.R.2032's total disposal of the public lands is totally unprecedented, so far as Mineral Policy Center's research could discover in the limited time available for this hearing.

There have been proposals to give away the *lands* owned by the United States before. President Hoover, in 1930, proposed to give the remaining unappropriated federal lands to the Western states. However, even Hoover believed that ***the minerals beneath the lands should remain in United States ownership.*** [Voigt]

In 1946, Senator Robertson (R-WY) proposed another land disposal scheme. Robertson's bill, S.1945, introduced 14 March, 1946, would have allowed thirteen Western states to claim more than just Bureau of Land Management areas within their boundaries. The states would also have been empowered to excise lands from National Forests and take them over, and a process for state takeover (with Secretarial acquiescence) of grazing lands in National Parks and Monuments would have been created.

Robertson's outrageous 1946 bill drew a firestorm of hostile national public reaction, and, though Robertson's party briefly controlled the Congress in 1947-48, no bill like it was re-introduced. But, shameless as it was, even Robertson's bill ***created rules for state management of the minerals, and required the states to collect a royalty on all coal, oil, gas, and hardrock minerals*** produced from the lands.

H.R.2032, more irresponsible than even Robertson's bill, does not require the states who would receive United States lands and minerals to manage them prudently. Unlike Robertson's 1946 bill, H.R.2032 would allow states to sell or give away subsurface minerals (Robertson required that, when lands were sold, the subsurface be reserved, Sec.6(b)). H.R.2032 does not give any direction on how the proceeds from disposal of the United States' lands should be spent.

A Threat to National Security

The United States' minerals are important for our national defense, as well as for their financial value. Lead reserves were retained, in whole or in part, by United States actions in 1785 and 1807.[Carstensen] Concern that the U.S. Navy would have adequate fuel supplies led Presidents Roosevelt and Taft to withdraw all remaining public-land coal deposits from claims, starting 1906.[Averitt] The Naval Petroleum Reserves were also set aside to protect the national security.

When United States oil and coal resources were re-opened to private enterprise in 1920, a leasing system was adopted so the nation would retain title and ultimate control. The courts have upheld the concept that the United States *as lessor* holds rights over the management of leased minerals that it would relinquish if the resources were sold outright.

H.R.2032 would remove the United States' ability to ensure that the vast mineral resources under the national lands will be used in the national interest in case of emergency. Individual states and private parties would wholly control the development of these strategic minerals.

Furthermore, even non-BLM defense reserves would be threatened if the management of what are now BLM lands were handed over to states, and eventually to private companies, under H.R.2032. For example, in Wyoming the Bureau of Land Management did not lease 25,486 acres for oil development because it feared that production from the lands would drain from the adjacent Naval Petroleum Reserve.[GAO-81] Disposal of BLM lands would expose the Defense Department resources in the Petroleum Reserves to damage.

Unfair to Non-BLM Landowners

Since passage of the Agricultural Coal Lands Act of 3 March 1909 the United States has reserved rights to coal, and later to all minerals, when patents

to public land were granted to private persons. As much as 139,816,000 acres of these "split-estate" lands exist around the country.[BLM, table 8]

Because H.R.2032 disposes of "all lands and interests in lands administered by the Bureau of Land Management to the State in which such lands and interests are located" [emphasis added], title to the minerals beneath these split-estate lands will be disposed of to the states, and may eventually pass to private parties. The rights of the surface owners are protected by several United States statutes so long as the minerals are managed by the United States, but serious conflicts will be created if private owners of split-estate mineral rights (obtained through H.R.2032) attempt to exercise their property rights.

Several National Wildlife Refuges contain subsurface minerals which BLM administers. Negotiations between the agencies take place to protect wildlife values on the refuges from damage caused by incompatible mineral development. If the subsurface mineral interests are disposed of to states, the Refuge system will suffer.

Administrative Problems With H.R.2032

H.R.2032 contains many ambiguous statements and instructions. Many of these apply specifically to mineral-ownership matters. Because very large sums of money are involved, these unclear legislative directions would, if enacted, lead to endless litigation. The uncertainty of title which would result would interfere heavily with the orderly development of these mineral resources. This interference would impede the economic benefits that the Nation, and the states involved, would otherwise expect to enjoy from the historic management of these mineral deposits. The provisions regarding property record maintenance, and mining claim patenting, are two examples.

Conclusion

Mr. Chairman, time does not permit a full catalogue of the fiscal foolhardiness, the unfairness to all but a handful of the states, the weakening of our national defense, and the threat to private landowners' rights that H.R.2032 would create. I have attempted to present enough data to demonstrate why this proposal should be abandoned.

This is not merely an unfortunate proposal. It is an inflammatory one. It will not help to bring reconciliation and peace to the tensions that make administering the United States lands a difficult and dangerous job for many hardwork-

ing professionals today. I recommend that this Subcommittee turn, instead, to a serious attempt to solve some of the small, real, problems which fester in the West, and turn away from the Triple-Trillion Takeover.

Mr. Chairman, I thank you for this opportunity to testify. My thanks also go to Rhonda Williams and Kelly Maroti of my staff who assisted ably with the research for this testimony. I would be pleased to answer any questions you or the Subcommittee may have.

** ** **

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GIVING BLM LANDS TO THE STATES: A LOSING PROPOSITION*

I. INTRODUCTION

On July 13, Representative Jim Hansen (R-UT) introduced H.R. 2032, a bill to transfer lands managed by the federal Bureau of Land Management (BLM) to state in which they are located. In the Senate, Craig Thomas (R-WY) has introduced identical legislation, S. 1031. If enacted, this legislation would represent the most sweeping change in federal land ownership since 1867, when the United States bought Alaska from Russia.

Under these proposals, states would have up to ten years to decide whether to accept all the BLM lands within their borders. The bills place no restrictions on state management and give states virtually free reign to sell or do anything else they want with the transferred lands. With the exception of wilderness areas, which would continue to be protected, other national assets could be exploited or opened to development. Furthermore, neither bill provides compensation to the American taxpayer for the loss of revenue from commercial activities, assets, or even the land itself. This paper details how transferring BLM land is not in the economic interest of the states, could restrict recreational access in the West and would frustrate efforts to maintain the environmental sustainability of western lands.

The Department of the Interior's BLM currently manages some 268 million acres of federal public land. Located principally in the eleven western states (including Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming) and Alaska, BLM lands are characterized by a great diversity of natural and scenic resources, including 2,000 miles of designated rivers in the National Wild and Scenic River System. Additionally, BLM lands provide habitat for more than 3,000 species of wildlife and fish. Included in these are 1,000 plant and animal species either listed or designated as candidates for listing under the Endangered Species Act. BLM

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* This analysis was prepared by Robert Dewey who directs Defenders of Wildlife's Habitat Conservation Division and Tom Uniack, also of Defenders' Habitat Division.

also manages its lands to support an abundance of recreational activities, including wildlife viewing, photography, camping, family picnics, mountain-biking, and hunting and fishing. More than 156,000 miles of fishable streams and 6,000 miles of 787 hiking trails help attract 65 million recreational visits each year. These activities provide huge direct and indirect economic benefits to rural communities. Moreover, BLM management is subject to statutory mandates that help assure input for all Americans on how a large portion of America's heritage is managed and preserved for future generations.

Although far from exhaustive, the analysis in this paper describes four ways in which H.R. 2032 is fundamentally flawed: 1) transferring BLM lands is not in the economic interest of the states; 2) H.R. 2032 is anti-recreation; 3) transferring BLM lands to the states could destroy their environmental sustainability and undermine the protection of cultural, historic and religious sites; and 4) H.R. 2032 fails to recognize that BLM lands are the heritage of all Americans.

I. Transferring BLM lands is not in the economic interest of the states.

Through activities such as management of lands and resources, range improvements, road construction, fire management and fire-fighting, the BLM makes huge annual investments in many western states. These investments totaled $875 million in 1994 alone.[1] Many of these investments are much more cost-effective for the federal government to make than for each state. Moreover, most states are hampered by fiscal crisis and balanced budget requirements that will constrain the ability of states to manage their lands as effectively as the federal government.

Below is Defenders of Wildlife's analysis, based on BLM data, of how nine states would likely lose a total of $392 million if H.R. 2032 were enacted.

[1] From *Public Rewards From Public Lands*, Bureau of Land Management, Department of the Interior, August 1995.

Economic Consequences to States from H. R. 2032
(In Millions)

State	Federal Collections (+)[2]	BLM Investment (-)[3]	State Economic Outlook[4]
Alaska	$7.77	$84.81	$-77.04
Arizona	$5.91	$54.34	$-48.44
California	$57.32	$74.06	$-16.74
Colorado	$79.15	$143.75	$-64.60
Idaho	$10.38	$62.5	$-52.12
Montana	$58.84	$41.5	$-32.90
Nevada	$39.08	$65.22	$-26.14
Oregon	$71.1	$142.1	$-71.00
Washington	$2.06	$5.29	$-3.23

* All data based on BLM statistics.[5]

By Defenders' analysis, only three states might gain from a land transfer. These are: New Mexico ($248 million), Utah ($16 million) and Wyoming ($456 million). These economic benefits would be reduced, however, if the indirect economic benefits of federal ownership described below could be accurately quantified and factored into the projections.

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[2] This column refers to Federal collections from BLM-Managed lands and minerals including grazing fees, recreation use fees, miscellaneous receipts, sales of land materials, national grasslands, mining claim holding fees and mineral royalties, rents and bonuses.

[3] This column refers to BLM investment in the state including management of lands and resources, land acquisition, range improvements, construction and access, fire management/fire-fighting, service changes, deposits and forfeitures. Payment-in-lieu-of-taxes have also been included here. The states will lose these revenues unless they sell the transferred land to private interests.

[4] This column refers to the net estimated economic advantage (+) or disadvantage (-) to each state if H. R. 2032 were enacted. Note that various indirect economic benefits of federal ownership are not considered.

[5] From *Public Rewards From Public Lands*, Bureau of Land Management, Department of the Interior, August 1995.

BLM management of western lands provides many additional indirect economic benefits. BLM is a major economic force in many rural communities by employing people and purchasing equipment. Data by the U.S. Department of Agriculture's Economic Research Service, for example, indicates that rural communities with a public land base have annual family incomes some $2,000 higher than rural communities without a public land base.[6] BLM's departure could produce significant economic dislocations in some areas.

BLM management also helps generate substantial recreation-related revenue to western states. In fiscal year 1993, there were nearly 2 million visits to BLM administered areas in eleven western states.[7] In Fiscal 1994, there were 65 million recreation visits on BLM managed lands with an estimated economic value of $2.38 billion.[8] Outfitters and guides alone provide an estimated $50-$60 million in revenue annually.[9]

II. H.R. 2032 is Anti-Recreation.

As indicated in the introduction, BLM lands support an incredible diversity of recreational activities. Given the patchwork of access limitations in the various western states -- restrictions which also differ between agencies in the same state -- the public could literally be shut out of public lands.

Access to BLM and other federal lands is currently guaranteed through the "multiple use" doctrine imposed by the governing statue, the Federal Land Policy and Management Act of 1976 (FLPMA). Access to state-owned land, however, is less certain. Those states which choose to accept BLM lands will likely take one of two actions: either manage these new lands as state trust lands or sell them off to private interests.

States often set aside some portion of lands which they manage as trust lands, using the revenues to support schools or other public services. Trust lands are often managed in a manner to bring about the greatest revenues which can reduce or limit the recreational access to these areas. For example, in Arizona, state trust lands are not open to the

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[6] *Understanding Rural America*, U. S. Department of Agriculture, Economic Research Service, Agricultural Information Bulletin Number 710.

[7] From Public Land Statistics, 1993, U.S. Department of the Interior, Bureau of Land Management.

[8] From *Public Rewards From Public Lands*, Bureau of Land Management, Department of the Interior, August 1995.

[9] From Public Land Statistics, 1993, U.S. Department of the Interior, Bureau of Land Management.

public except with written authorization from the State Land Commissioner.[10] In Idaho, there are some developed recreation areas but grazing and timber are the primary uses of state lands.[11]

Some states may look to a land transfer as a way to capture financial resources by selling these lands off to private interests. The land-transfer legislation now before the Congress does not prohibit selling off these lands. In the current fiscal climate, states have found themselves in a financial struggle. Decreasing budgets, a reduced tax base, and balanced budget requirements in most states severely tax their ability to absorb new financial responsibilities. Selling off these lands to private interests, real estate developers and multi-national corporations would certainly limit access to what is now public land and would eliminate some of the last wild and open places in America.

III. Transferring BLM lands to the states could destroy their environmental sustainability and undermine the protection of cultural, historic and religious sites.

BLM derives primary direction for the management of its lands through the multiple use mandate contained in the Federal Land Policy & Management Act (FLPMA) of 1976. According to this statute,

> The term "multiple use" means the management of the public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people . . . [12]

Further, the FLPMA requires that:

1. The public lands and their resources are periodically and systematically inventoried.

2. Their management be on the basis of multiple use and sustained yield.

3. They be managed in a manner that will protect the quality of scientific, ecological, and environmental values.

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[10] From *Public Rewards From Public Lands*, Bureau of Land Management, Department of the Interior, August 1995.

[11] From *Public Rewards From Public Lands*, Bureau of Land Management, Department of the Interior, August 1995.

[12] See 43 U.S.C. Section 1702 (c).

Besides conserving natural resources, federal management of BLM lands also protects rich archeological, paleontological and historic sites including 22 cultural sites designated as National Historic Landmarks and 228 sites listed on the National Register of Historic Places. For example, in Alaska BLM land in the Brooks Range includes the 11,700 year-old Mesa site which preserves some of the earliest evidence of human migration to North America.

Transferring BLM lands to states could subject many of these lands to less stringent environmental protections or allow them to be sold off by the states to the highest bidder. Lands transferred to the states of Idaho, Arizona or New Mexico are especially unlikely to be managed in a manner that assures their environmental sustainability. The Idaho Constitution requires that the state Board of Land Commissioners manage state public lands "in such a manner as will secure maximum long term financial return."[13] In the case of Arizona, the State Land Department manages 9.36 million acres of school trust land to generate maximum revenue for the school fund.[14] In New Mexico, the state land trust advisory board is charged with "maintaining the highest standards for maximizing the income from the trust assets."[15] With respect to the sale of school trust lands, the Wyoming Constitution directs the board of land commissioners to, "realize the largest possible proceeds."[16] In selling public lands, the State of Montana must realize "full market value."[17]

IV. H.R. 2032 fails to recognize that BLM lands are the heritage of all Americans.

As described above, the applicable management statutes for BLM lands help assure that BLM will manage its lands for the benefit of present and future generations. Management of these lands by individual states or by private interests almost certainly will divest future generations of an important part of their American heritage.

Equally important is the assurance provided by FLPMA that all Americans are afforded a say in how BLM lands are administered. As a statement of policy, FLPMA states that the Secretary of the Interior shall,

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[13] Idaho Const., art. IX, Section 8.

[14] From *Public Rewards From Public Lands*, Bureau of Land Management, Department of the Interior, August 1995.

[15] N.M.S.A. 1978, s 19-1-1.4.

[16] Wy Const. art. 18, Section 3.

[17] Mt Const. Art. X, section 11.

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be required to establish comprehensive rules and regulations after considering the views of the general public; and to structure adjudication procedures to assure adequate third party participation, objective administrative review of initial decisions, and expeditious decision-making[18]

V. CONCLUSION

BLM lands are now managed pursuant to the multiple use mandates contained in the Federal Land Management and Policy Act of 1976 and various other federal statutory requirements. These federal mandates collectively help assure an effective balance between resource utilization and the protection of other values including recreation, wildlife, religious and cultural and historic preservation. Once transferred to the states, BLM lands would no longer be subject to these important federal laws and would instead be subject to state mandates or sold to private interests. State laws often fail to provide the basic protections for non-economic values of public lands and, in fact, sometimes require that maximum economic return be achieved. In short, subjecting BLM lands to state law, or worse, the whims of private interests, is likely to destroy the delicate balance that currently exists in the management of these lands.

[18] 43 C.F.R. Section 1701(a)(5).

Testimony of

RAY POWELL
COMMISSIONER OF PUBLIC LANDS

on H.R. 2032

The Proposed Divestiture of the Federal Public Lands

Before the
Subcommittee on National Parks, Forests and Public Lands
of the Natural Resources Committee

Chairman Jim Hansen

Tuesday, August 1, 1995

Mr. Chairman,

Thank you for allowing me to present this statement to the subcommittee.

We in New Mexico are truly blessed. We enjoy a multicultural society that is a model of cooperation and power sharing for the entire nation. Our legendary blue skies, agreeable climate and uncluttered landscape have attracted visitors and new residents for centuries.

It is the landscape I want to talk about today.

New Mexico is approximately 34 percent federal land, including national forests, Bureau of Land Management land, military bases and national parks. About 12 percent is state trust land, which my office administers. Another 10 percent is Indian land. Just under 44 percent of New Mexico is privately owned.

This reasonable mixture has allowed New Mexico to develop healthy urban areas, a solid permanent fund for the support of public education, and an adequate land base for Native American tribes.

The federal land gives urban residents the opportunity to enjoy nature in substantial numbers. It gives rural residents, especially livestock producers, the opportunity to use large tracts for grazing that they could not otherwise afford to buy.

But what many New Mexicans consider the greatest aspect of our land ownership structure is the ready access to vast amounts of federal land - open for hunting, picnicking, camping, bird-

watching and, in some cases, small-scale resource gathering.

It gives everyone the opportunity to look outside their windows and see unspoiled mountains and valleys, in which they as federal taxpayers have ownership interest.

The land is open and accessible to all.

In the legislation before you today, I see the end of public access, free or reasonably priced. I see the end of all Americans' ability to enjoy the things that really represent the West. I see the end of the livestock industry as we know it today.

I say that because a co-sponsor of this legislation, who is the senior congressman from my state - Representative Skeen - has made perfectly clear the ultimate goal of this legislation and its special interest supporters. Let me quote to you from a newspaper article published in Mr. Skeen's home-town newspaper, The Roswell Record.

"Turning the federal land over to the state would help the state create a tax base in those areas where none exists, Skeen said. The state could auction off portions of the land which are used for grazing purposes or oil and gas drilling or mining and collect property taxes which could then be used to maintain roads in those areas."

Mr. Chairman, I say to this committee that privatization is the last thing the people of New Mexico want to see happen to the federal public lands. We need only look to our neighbor state of Texas to see the result: Families look out of their windows at land they cannot enjoy without paying a price. Fewer and smaller areas are designated for general public access. The privilege of hunting the public game is much more expensive.

The federal public lands contribute greatly to the people and the governments of New Mexico. The royalties from federal land mineral production total nearly $280 million a year, half of which is returned to the state's general fund.

Another $10 million is distributed to counties in the form of payments in lieu of taxes, often in amounts greater than could be realized through property taxes.

With federal impact aid for education and forest payments, the federal lands already contribute well over $300 million to our state.

Meanwhile, every other American has a stake in these lands as well. What federal land income is not returned to New Mexico supports valuable federal programs, including land purchases for national parks.

People from Washington State to Florida have the right to use and benefit from the nation's public lands.

Locally, lands that were once open to the public for hunting, fishing and camping will eventually go into private ownership or control by the special interests under the plan laid out by Mr. Skeen and his supporters.

I pose the question, Mr. Chairman: Will a livestock producer who already is having a hard time making a living be able to purchase that 20,000 acres to which he now has an exclusive grazing permit?

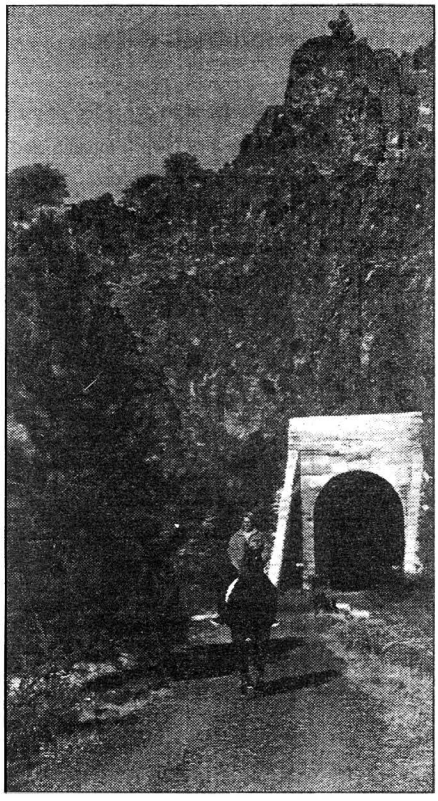
I think not. Once the federal government abandons ownership of the public lands, it will be all too tempting for short-sighted states to balance their budgets through land sales. The buyers will be large corporate and institutional investors, rich private individuals and foreign interests.

This process will inevitably drive small family-farms and ranches out of business.

Mr. Chairman, if we allow the federal government to divest itself of this priceless legacy -- our public lands -- our children and their children will never forgive us.

Thank you.

PUBLIC REWARDS FROM PUBLIC LANDS



A U G U S T
1 9 9 5
United States Department of the Interior
The Bureau of Land Management

PUBLIC REWARDS FROM PUBLIC LANDS

As American citizens consider how to use the considerable resources of the nation's public lands, it is important that they do so with a full understanding of the value of these lands. The enclosed report, *Public Rewards from Public Lands*, is a contribution to the discussion of how to best manage these lands for present and future generations.

America's public lands extend across diverse terrain and contain a wide variety of resources. *Public Rewards from Public Lands* describes these resources, which include energy and mineral deposits; rangelands; forests; fish and wildlife habitats; and sites of cultural, historic, and recreational importance.

To promote more effective management of these resources, BLM has entered into numerous collaborative partnerships with State and local governments and others. BLM shares revenues with the States from activities on the public lands, and provides Counties with payments in lieu of property taxes. *Public Rewards from Public Lands* documents these revenue transfers. In addition, the report shows the extent of the annual BLM investment in each State.

Public lands have many uses, including enjoyment by all Americans of those wide-open spaces for which the West is famous. *Public Rewards from Public Lands* shows the number of visitors who enjoy the diverse recreational opportunities on the public lands, including hunting, mountain-biking, fishing, camping, off-highway vehicle use, photography, and family picnics.

The extraordinary natural resources of this country's public lands provide rewards for all Americans. *Public Rewards from Public Lands* lets the public know more about the value of their resources.

Unless otherwise indicated, all collections, payments, and appropriations are for FY94, which runs from October 1, 1993 to September 30, 1994.

Federal Collections from BLM-Managed Lands and Minerals:

Grazing Fees: This category identifies grazing receipt collections authorized under the Taylor Grazing Act.

Recreation and Use Fees: These fees are collected under the authority of the Land and Water Conservation Act as amended. They include entrance fees to National Conservation Areas; recreation use fees for campgrounds and specialized outdoor recreation sites, facilities, equipment, and services; special recreation permit fees, and Gold Eagle and Golden Age passport sales. BLM retains up to 15 percent of these revenues to offset the cost of collecting the fees. The remainder is available in the following year to the Management of Lands and Resources appropriation, and the appropriated amounts are distributed proportionately to the individual sites from which they were collected.

Miscellaneous Receipts: These fees result primarily from filing fees for applications for noncompetitive oil and gas leases, and from rights-of-way (excluding oil and gas rights-of way) and rent of land. This category also includes collections from fines, penalties, forfeited money and property, as well as interest charged by BLM.

Sales of Land and Materials: This category includes receipts from the sale of public land and materials, including sales of vegetative and mineral materials. Timber receipts are included here.

National Grasslands: This category includes grazing, oil and gas rents, bonuses, royalties, and other receipts derived from activities on National Grasslands.

Mining Claim Holding Fees: These are annual maintenance fees and were approved by Congress in the Omnibus Reconciliation Act of 1993. BLM uses collections to administer the program. Collections that exceed BLM's budget authority go to the Treasury. If they do not exceed BLM's budget authority, BLM retains all collections.

Mineral Royalties, Rents, & Bonuses: This figure reflects mineral receipts from all Federal leases, regardless of surface ownership or management. Revenues are from all Federal mineral leases, including leases for coal, geothermal, oil, and gas. This figure includes revenues from oil and gas rights-of-way collected under the Mineral Leasing Act. It also includes receipts from mineral leasing on acquired lands, including National Grasslands; these receipts are collected by MMS and transferred to BLM for disbursement.

In addition to the receipts identified above, the following receipts go directly into special and trust funds used by BLM to support a variety of activities on public lands. In FY94, collections were:

Service Charges, Deposits, & Forfeitures[1]	$9,689,000
Deposits for Road Maintenance and Reconstruction	$1,689,000
Rents and Charges for Quarters	$243,000
Land and Resources Management Trust Fund	$9,295,000
Alaska Townsites Trust Fund	$2,000

Direct BLM Financial Transfers to the State:

This section identifies payments made to the State from collections and receipts from activities on BLM-managed land. This section also includes appropriations made under the Payments in Lieu of Taxes program.

Payment in Lieu of Taxes (PILT): Congress appropriates PILT payments annually, and BLM administers disbursement to individual counties. These figures reflect the total PILT for all Federal land in the State. PILT payments are determined according to a formula that includes population, the amount of Federal land within the county, and offsets for certain Federal payments to the county, such as grazing and oil and gas fees.

Grazing Fees: These funds are the portion of the grazing receipts shared directly with the State. BLM payments are either 12.5 percent or 50 percent, depending on the statutory authority. Payments identified in this category include the local share of receipts from mineral leasing on acquired lands under the Taylor Grazing Act. These figures reflect payments as of 9/30/94; i.e., 11 months from FY94 plus 1 month from FY93.

Proceeds of Sales: This is the portion of receipts from the sale of public land and materials, including timber, that is shared with the States.

National Grasslands: This figure reflects the payment made directly to the State from revenues derived from National Grasslands. These figures include allocation of mineral receipts, which are collected by MMS, but transferred to BLM for disbursement. These figures reflect payments made in calendar year 1994 for receipts collected in calendar year 1993.

Mineral Royalties, Rents, & Bonuses: These figures reflect the net disbursement to the State of mineral receipts from Federal leases, including those on BLM-managed land. MMS collects receipts and makes disbursements. Payments are from revenues derived from Federal mineral leases, including leases for coal, geothermal, oil, and gas. These figures do not reflect disbursements from leases on acquired lands, including National Grasslands, which are included above under "National Grasslands."

BM Investments in the State:

These figures represent FY94 funds appropriated by Congress for BLM-managed programs in each State. They do not include the MMS program costs for collection of mineral revenues. These figures identify appropriated funds, unless otherwise indicated.

Management of Lands and Resources (MLR): MLR appropriations fund a

[1] In addition to these funds, Congress also makes annual appropriations for "Service Charges, Deposits, & Forfeitures", which are discussed more fully in the category "BLM Investment in the State."

variety of programs, including mineral leasing programs, initiatives to protect wild horses and burros, recreational activities, as well as programs to improve land, soil, and water quality.

Land Acquisition: These funds are used to acquire land and to administer exchanges in accordance with the provisions of the Federal Land Policy and Management Act.

Range Improvements: The Range Improvement Fund is funded by the Federal share of grazing receipts, plus the Federal share of mineral receipts from leasing on acquired lands. Funds are used for the construction, purchase, and development of range improvements.

Construction & Access: These appropriations fund a variety of programs, including the construction of recreation facilities, roads, and trails.

Fire Management/Firefighting: "Prescribed Fire/Presuppression" shows appropriated funds. "Firefighting and Rehabilitation" shows actual expenditures (these do not include the leave surcharge). Only a portion of BLM funding for fire programs is identified here; BLM provides further funding through allocations to other Department of Interior agencies and to the Secretarial fund. Additionally, BLM funds firefighting activities through appropriations to the National Interagency Fire Center in Boise, Idaho, and the National Training Center in Phoenix, Arizona.

Service Charges, Deposits, & Forfeitures: These funds are used for administrative expenses and other costs relating to public lands, including the processing of rights-of-way and other applications, and the Adopt-a-Horse-Program.

In addition to the services identified above, BLM disbursed money from the special and trust funds discussed above under "Federal Collections from BLM-Managed Lands and Minerals." In FY94, disbursements were as follows:

Service Charges, Deposits, & Forfeitures $10,752,000

Deposits for Road Maintenance and Reconstruction $2,273,000

Rents and Charges for Quarters $221,000

Land and Resources Management Trust Fund $7,409,000

Alaska Townsites Trust Fund $6,000

Other Investments in the State Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund: These funds are appropriated annually by Congress; these figures do not include appropriations for Western Area Power Administration projects. Funding for the Reclamation Fund is derived from several sources, including 40 percent of the Federal share of mineral receipts, 76 percent of the Federal share of timber receipts from public and acquired lands in the "Reclamation States,"[2] 75 percent of the revenues from FLPMA land sales, and revenue from the sale of Power Marketing Administration power. In FY94, activities on BLM-managed land generated the following revenues for the Reclamation fund: $406 million from royalties on natural resources, $1 million from sale of timber and other products, $21 million from sale of public domain land.

Allocation of State Share of Federal Mineral Receipts:

Receipts from Federal mineral leases are shared with the State in which the leases are located. Many States have dedicated expenditures for these receipts, which are identified in this section.

Recreational Activity on BLM-Managed Land:

BLM-managed lands offer a variety of recreational activities, including those provided by Wilderness Areas, National Conservation Areas, Wild and Scenic Rivers, and Back Country Byways. Data on the number of visitors to BLM-managed land in FY94 comes from BLM's Recreational Management & Informational System (RMIS). RMIS is a PC-based data base for compiling and monitoring key recreational management data for the BLM.[3] Recreational data is according to administrative state. Some recreational categories include several activities:

Hunting includes visitor data on hunting for big game, small game, upland bird, waterfowl, and trapping.

Photography, picnicking, etc., includes visitor data for caving, climbing, environmental education, gathering of noncommercial products, hang-gliding, interpretive exhibit viewing, nature study, rockhounding, viewing, and wind surfing.

Motorized travel includes visitor data for off-highway vehicles (OHVs), all-terrain vehicles (ATVs), motorcycling and dune buggy riding, and driving for pleasure on byways.

Hiking, backpacking, bicycling, etc., includes visitor data for road and mountain bicycling, walking/running, horseback riding, and pack trips.

Total Visitor Hours: This figure shows the total number of hours spent by visitors to BLM-managed land.

Total Visits: This figure shows the number of people visiting BLM-managed land for recreation. (The number of visits differs from the number of participants because people who visit public land may participate in more than one activity.)

Recreation data is derived from a number of different sources, including traffic counters, trail registers, visitor surveys, State reports, and highway census counts.

Revenue Generated by Selected Recreation Visits to BLM-Managed Land:

These figures identify the estimated economic value to the administrative state generated by hunting and wildlife-associated recreation visits to BLM-managed lands. Data is from *The 1991 National Survey of Fishing, Hunting and Wildlife-Associated Recreation*; revenues do not include income generated by skiing or fishing.

Wildlife-Associated Recreation: These include visits for camping, photography, picnicking, observing wildlife, etc.

Hunting Trips: These include visits to hunt deer, elk, waterfowl, and small game.

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[2] The 17 "Reclamation States" are all of the 48 contiguous states with land west of the 100th meridian: North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Montana, Wyoming, Colorado, New Mexico, Idaho, Utah, Arizona, Washington, Oregon, Nevada, and California.

[3] The visitor figures for FY94 are low because of inconsistencies resulting from transition to a new data collection system.

PUBLIC REWARDS FROM PUBLIC LANDS

Introduction

The Bureau of Land Management (BLM) is responsible for managing approximately 270 million acres of public land that are owned by the American people. Most of these lands are located in the Western United States,[1] and are rich in natural, cultural, and scenic resources. They extend across a variety of terrain, and are characterized by extensive grasslands, forests, high mountains, arctic tundra, and deserts. BLM administers diverse resources and uses on the nation's public lands, including energy and minerals, timber, livestock forage, fish and wildlife habitat, scenic and recreational resources, wilderness areas, and archaeological and historic sites. BLM manages an additional 300 million acres of subsurface mineral rights reserved by the Federal government and held in trust for public benefit.

Our public lands today are what remain from the original 1.8 billion acres of public domain, acquired through treaty, purchase, or conquest by the Federal government on behalf of all Americans. As a condition of entry to the Union, new Western States were required to disclaim officially all right and title to the unappropriated Federal land remaining within their boundaries at the time of statehood. In return for giving up any claims, newly-admitted States received land grants from the Federal government as part of their Enabling Acts.[2] Although some States sold them, these original grant lands still make up the majority of State lands in many Western States.

In managing the public lands, BLM performs a wide variety of functions. These include preparing land use plans and assessing environmental impacts; surveying; issuing leases; enforcing permit conditions; designing and constructing roads and other improvements; restoring degraded fish and wildlife habitat; identifying and protecting significant natural, cultural, and recreation resources; and monitoring resource conditions. In addition, BLM maintains the original property and cadastral survey records of the United States. BLM meets these responsibilities with extensive public participation, and in coordination with Federal agencies, State, tribal, and local governments, as well as other affected interests.

Public lands are part of the nation's heritage--an important legacy inherited by the people of the United States. As public land policies evolve, it is important to explore fully the significance of these lands, and their contribution to the country today. The purpose of this report is to examine some of the public benefits derived from public ownership of the lands and their resources, and to contribute to our understanding of how public lands meet the needs of present and future generations of Americans.

The History of Our Public Lands

From the nation's earliest days, Congress recognized that the public domain was a national asset, and used it to pursue public policy goals. For more than a century, public lands were disposed of through a series of legislative initiatives as part of a Federal effort to promote settlement of the West. These initiatives included military bounties; grants for the construction of wagon roads, canals, and railroads; the Homesteading Laws; the Mining Law of 1872; the Desert Land Act of 1877; and the Timber and Stone Act of 1878. Of the original public domain, the government gave away or sold almost two-thirds to States and to private citizens. The General Land Office, established by Congress in 1812 to oversee the disposition of Federal land, was the forebearer of today's BLM, making BLM the oldest of the Department of the Interior's land management agencies.

The late 19th century marked a shift in Federal land management priorities. Congress created the first National Forests in the Pacific Northwest to protect them from the fate of Eastern forests, which had been denuded by unregulated logging. At the same time, the government established the first National Parks and Wildlife Refuges. By withdrawing these lands, Congress signaled a shift in the policy goals served by public land. Instead of using them to promote settlement, Congress recognized that some of them should be held in public ownership because they had other resource values.

In the early 20th century, Congress took additional steps toward recognizing the value of the assets on public lands. The Mineral Leasing Act of 1920 provided for leasing, exploration, and production of selected commodities, including coal, oil, gas, and sodium. This ensured that the government retained control of important energy resources, rather than permitting them to pass into private ownership. When overgrazing threatened to

[1] The majority of public lands are located in the 12 Western States: Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

[2] California received title to its grant lands after becoming a State, and New Mexico received a portion of its lands before receiving statehood.

reduce Western rangelands to a dustbowl in the 1930's, Congress approved the Taylor Grazing Act of 1934, which regulated grazing on the public lands through the use of permits.

Public appreciation of the value of public lands continued to grow. In 1964, Congress established the Public Land Law Review Commission to make recommendations on how the public lands should be managed. This bipartisan effort resulted in a published report in 1970, *One Third of the Nation's Land*, which recommended that:

> The policy of large-scale disposal of public lands ... be revised and that future disposal should be of only those lands that will achieve maximum benefit for the general public in non-Federal ownership, while retaining in Federal ownership those [lands] whose values must be preserved so that they may be used and enjoyed by all Americans ....

Congress responded to the Commission's report by approving the Federal Land Policy and Management Act in 1976. Section 102(a)(1) implemented the Commission's major policy recommendation by declaring it the policy of the United States that,

> ... the public lands be retained in Federal ownership, unless as a result of the land use planning procedure provided for in this Act, it is determined that disposal of a particular parcel will serve the national interest ....

With passage of FLPMA, Congress also repealed many of the land disposal laws enacted since the mid-19th century. One of the most important features of FLPMA is the requirement that BLM manage public lands for "multiple use:"

> The term "multiple use" means the management of the public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people ....

How Our Public Lands are Used

Use of the public lands has changed over time, and continues to evolve. Originally viewed as the Great American Desert, then primarily as a source of livestock forage, timber, and energy and mineral resources, increasingly the public lands are valued for their environmental resources, the recreational opportunities they offer, the cultural resources they contain, and, in an increasingly urban world, their vast open spaces. FLPMA's multiple-use mandate has enabled BLM to manage the public lands to meet these changing needs.

In the 1960's, publication of Rachel Carson's *Silent Spring* prompted Americans to take a new look at their surroundings and launched the environmental movement. In 1969, Congress approved the National Environmental Policy Act, which required Federal agencies to document the environmental effects of proposed development. Congress has passed several other statutes providing for the care of the land and its resources. The Endangered Species Act, the Clean Water Act, the Clean Air Act, the Resource Conservation and Recovery Act, the Wilderness Act, the Wild and Scenic Rivers Act, the National Historic Preservation Act, and other legislation all reflect the country's resolve to protect noncommodity resources such as wildlife, fisheries, clean water, and sites of cultural significance.

One of the more recent demands on the public lands has come from the desire for more recreation opportunities. In 1994, there were more than 65 million recreation visits to BLM-managed lands for hunting, fishing, camping, hiking, and other leisure activities. These were provided by a variety of specially-designated land, including Wild and Scenic Rivers, Wilderness Areas, Areas of Critical Environmental Concern, and Back Country Byways. As the number of visitors to Federal lands increases, BLM-managed lands help meet some of the demands that popular National Parks and National Forests are unable to satisfy.

Visitors are drawn also to BLM-managed lands by archeological, historic, and paleontological sites; together these form one of the most important bodies of cultural and scientific resources in the United States. They include the 11,700-year-old Mesa site in the Brooks Range, Alaska, which preserves some of the earliest evidence of human migration to the North American continent, and the prehistoric Anasazi complex that extends across portions of Utah, Arizona, and Colorado. Public lands also hold historic sites dating from more recent periods, including the remains of Spanish exploration in the Southwest, and portions of the original trails used by settlers moving westward. Additionally, BLM helps pre-

serve significant Native American religious sites and resources relating to the history of ranching, mining, railroading, and homesteading.

The 270 million acres administered by BLM are the most ecologically diverse lands managed by any Federal agency, with representative plant and animal communities ranging from the most common to the most endangered. The varied terrain and landscape provide habitat for over 3,000 North American fish and wildlife species, including many big game animals and fish species that are important to the sport fishing industry. They also provide habitat crucial for the protection and recovery of over 1,000 plant and animal species either listed or candidates for listing under the Endangered Species Act. BLM is also pursuing a variety of initiatives to help prevent species from being listed as threatened or endangered.

One of the most important tools used by BLM to meet changing public demands is land exchanges. For example, a land exchange helped create the San Pedro Riparian National Conservation Area in Arizona, which attracts visitors from all over the world. By trading land of high commercial value in the Phoenix metropolitan area for land on the San Pedro River, BLM is meeting public conservation needs while helping provide local economic benefits.

BLM must balance newer demands on public land with more traditional uses, including commodity extraction and grazing. BLM-managed lands contain 12.5 trillion cubic feet of proven natural gas reserves, and about 1.4 billion barrels of proven oil reserves. Approximately one-third of the nation's supply of coal is found on public lands, and royalties from coal, oil, gas, and other minerals generate income for the taxpayer. The estimated value of future royalties of Federal oil is $16.42 billion, gas royalties are worth some $11.31 billion, and royalties on coal reserves are valued at approximately $5.44 billion.

In the last 3 years, oil and gas leasing has increased significantly on BLM-managed lands. Public lands now hold more than 63,000 producing wells--an increase of 30 percent from 1985. Federal acreage under competitive leasing has increased to 39 million acres, and bonus bids and applications for permits to drill have both risen. Intensive exploration is underway on public lands in southwest Wyoming, where industry projects that there will be between 6,000 and 11,000 new wells by the year 2015.

Every year, thousands of individuals and companies apply to BLM to obtain a right-of-way grant to use public land for projects such as roads, pipelines, transmission lines, and communication sites. Many of these rights-of-way provide for the basic infrastructure of our society, meeting the needs of local cities, towns, and communities. The most dramatic example is the Trans-Alaska Pipeline authorized in 1974. The 800-mile pipeline delivers about 2 million barrels of crude oil daily from its source at Prudhoe Bay to the ice-free port of Valdez.

Grazing is another important activity occurring on BLM-managed lands; domestic livestock graze about 170 million acres of public rangelands. A significant portion of the feeder cattle produced for the Western feedlots spend part of their lives on public rangelands, and about 50 percent of the lambs produced in the U.S. are raised on public rangeland. Although the condition of the upland range improved significantly following passage of the Taylor Grazing Act, riparian areas continue to be severely degraded. The Department of the Interior's new grazing regulations will improve conditions in riparian areas, which support 50 percent of the biodiversity found on public rangeland. These regulations provide another example of the collaborative decision-making process employed by BLM.

BLM has a variety of programs to protect public health, safety, and property. Fire management is one of BLM's most important responsibilities--in FY95, BLM will spend approximately $236 million on fire protection.[3] Another critical BLM role is to inventory and clean up contaminants present on public lands, including abandoned mine sites, hazardous waste, unexploded ordnance, and improperly capped oil and gas wells.

Revenues and Economic Benefits from Our Public Lands

BLM collects fees from many of the activities that take place on public lands; in FY94, revenues totaled more than $1.2 billion.[4] Through a variety of mechanisms, these receipts are shared between the U.S. Treasury and the public lands States.

[3] This includes 114,748 million appropriated for fire protection, plus $120.945 million appropriated for the Department of the Interior Emergency Firefighting Fund.

[4] This figure reflects $1.1 billion for mineral receipts from all Federal leases, regardless of surface ownership or management, and $187 million from collections from other activities on public lands, including grazing receipts, timber receipts, and recreation fees. (U.S. Department of the Interior Budget Justifications, FY96 at p. 2-1).

Some of these receipts are returned directly to the States through statutory receipt sharing requirements. For example, public domain mineral receipts are shared equally with the States.[5] The State often allocates these revenues for specific purposes, such as education and transportation.

Sometimes, the States benefit indirectly from the revenues generated by BLM-manged lands and minerals. In the case of mineral receipts, 40 percent of the Federal share goes to the Reclamation Fund, which is returned to the States through the appropriation for the Bureau of Reclamation.

Counties where public lands are located benefit from the Federal Payment in Lieu of Taxes (PILT) Program, which compensates local jurisdictions for loss of property tax revenues. PILT payments (approximately $100 million annually) are determined according to a formula that includes population, the amount of Federal land within the county, and offsets for certain Federal payments to the county. BLM administers PILT payments for all Federal land, regardless of ownership.

Public lands make both social and economic contributions to the communities where they are located. Public lands help maintain open space in an increasingly urbanized West, and provide significant local economic benefit. Data compiled by the Economic Research Service demonstrates the positive relationship between the public land base and State economic activity. Annual family income in rural counties with public land is approximately $2,000 higher than income in those rural counties without a public land base.[6]

The varied uses of BLM-managed lands, from commodity extraction to recreation, all promote local economic growth. For example, the Stagecoach Draw Unit natural gas field in southwest Wyoming will produce substantial revenues for State, County, and local governments, as well as for local school districts. The venture is projected to generate over $37 million in ad valorem taxes, $30 million in severance taxes, and $71 million from Federal royalties and rentals from producing wells.[7]

Recreational opportunities on BLM-managed land provide another example of the indirect benefits generated by Federal investment. As part of its *Recreation 2000* initiative, BLM has been working to increase economic opportunities for local communities. Nearly 70 percent of all travel to Western States is pleasure-related. Deer hunting in the Western U.S.--the majority of which occurs on public land--generates $729 million in retail sales, contributes $411 million in salaries and wages, and provides 21,000 jobs annually. State governments benefit from the $40 million in sales taxes and $18 million in State income taxes.[8] Outfitters and guides provide an estimated $50-$60 million in revenue to the Western States annually, a large part of which arises from activities on BLM-managed lands.[9]

Conclusion

Use of the public lands has changed, and continues to change. Americans are placing greater and more varied demands on them than ever before. BLM's multiple-use mandate enables the agency to balance these demands, and to provide both tangible and intangible rewards to all Americans. These include revenues for the Treasury, diverse recreational opportunities, and, in an increasingly urbanized West, wide open spaces.

As the present generation of Americans considers options for the future management of these lands, it is important that they do so with a full understanding of this unique legacy. Americans have inherited this resource, and they have the opportunity to pass it on to future generations. In the current debate over land management policies, it is important that we do not foreclose our options for the future.

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[5] In Alaska, the State receives 90 percent of mineral receipts.

[6] *Understanding Rural America*, U.S. Department of Agriculture, Economic Research Service, Agricultural Information Bulletin Number 710.

[7] Texaco's Stagecoach Draw Unit Draft Environmental Impact Statement, Sweetwater County, Wyoming; U.S. Department of the Interior, Bureau of Land Management, Rock Springs District Office, Green River Resource Area, March 1995.

[8] Data on deer hunting from *The Economic Impacts of Deer and Elk Hunting in the Western U.S*, Mario F. Teisl & Rob I. Southwick, Southwick Associates.

[9] *Public Land Statistics*, 1993, U.S. Department of the Interior, Bureau of Land Management.

BLM-MANAGED LANDS[1]

[1] This map shows only BLM-managed acres in the 12 Western States. BLM administers a limited amount of surface acreage in selected other States.

Surface Acreage of Land
Managed by the
Bureau of Land Management:
270 million acres.

Department of the Interior
Bureau of Land Management
1849 C Street, N.W.
Washington, DC 20240

B L M - M A N A G E D L A N D S

Federal Collections from BLM-Managed Lands and Minerals:

Grazing Fees	18,817,000
Recreation & Use Fees	2,062,000
Miscellaneous Receipts	10,591,000
Sale of Land and Materials	79,371,000[2]
Mining Claim Holding Fees	31,404,000
National Grasslands	1,709,000
Mineral Royalties, Rents, & Bonuses	1,129,376,000
TOTAL	**$1,273,330,000**

Direct BLM Financial Transfers:

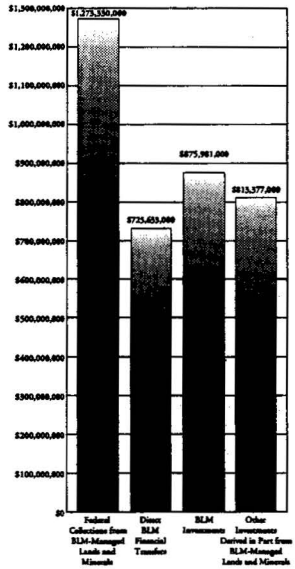
Payment in Lieu of Taxes (PILT)	99,333,000
Grazing Fees	3,245,000
Proceeds of Sales	780,000
National Grasslands	537,000
Nevada Land Sales	288,000
Oregon and California Grant Lands	97,642,000
Coos Bay Wagon Road Grant Lands	625,000
Mineral Royalties, Rents, & Bonuses	523,183,000
TOTAL	**$725,633,000**

BLM Investments:

Management of Lands & Resources	599,860,000
Land Acquisition	12,122,000
Range Improvements	10,025,000
Construction and Access	10,467,000
Fire Management/Firefighting[3]	
Prescribed Fire/Presuppression	117,143,000
Firefighting and Rehabilitation	116,674,000
Service Charges, Deposits, & Forfeitures	9,690,000
TOTAL	**$875,981,000**

Other Investments Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$813,377,000



[2] $70,714 from the sale of timber and $8,657 from the sale of land and other materials.

[3] These figures include appropriations for BLM's allocation to the Department of the Interior's firefighting fund, which is managed by BLM for all DOI agencies.

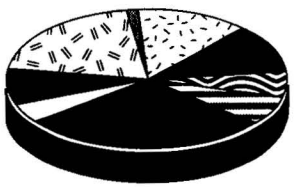
Estimated Value of Future Royalty Receipts:[4]

Oil	$16.42 billion
Gas	$11.31 billion
Coal	$5.44 billion

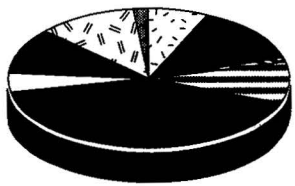
FY94 Recreational Activity on BLM-Managed Land:

Activity	Participants	Hours
Camping	9,138,000	199,405,000
Fishing	4,590,000	21,226,000
Hunting	5,340,000	50,126,000
Photography, Picnicking, etc.	22,824,000	56,162,000
Swimming & Water Skiing	3,555,000	7,554,000
Boating	6,479,000	33,272,000
Motorized Travel	16,035,000	64,095,000
Winter Sports	1,092,000	5,872,000
Hiking, Backpacking, Bicycling, etc.	10,144,000	44,639,000

TOTAL RECREATION VISITS 65 million



Participants



Total Visitor Hours 482 million

Estimated Economic Value of Selected Recreation Visits to BLM-Managed Land:

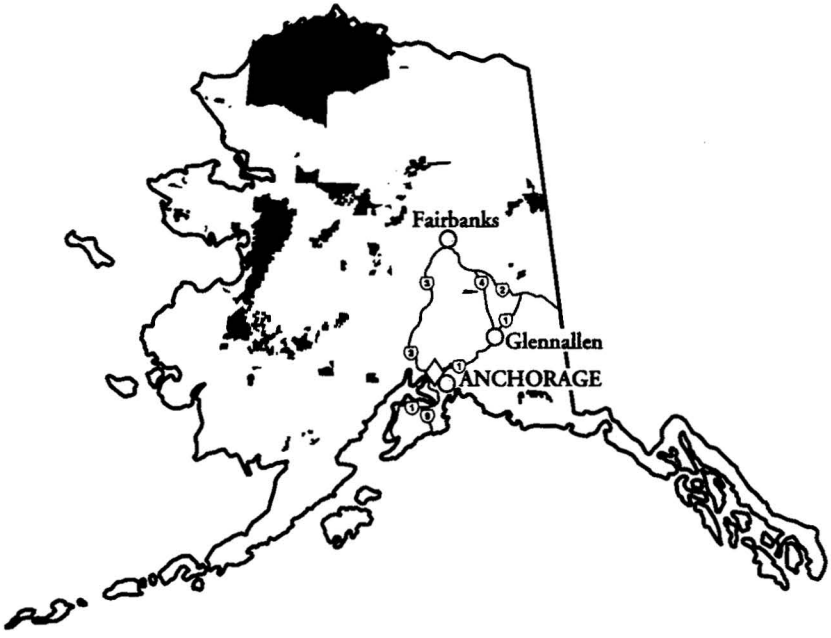
Wildlife-Associated Recreation	$680 million
Hunting Trips	$1.7 billion

[4] These figures were calculated based on 15-year averages of production and royalty receipts, and known or estimated Federal mineral reserves.

Recreation Features and Opportunities on BLM-Managed Lands:

- 2,000 miles of 33 designated rivers in 5 States in the National Wild and Scenic River System
- 2,500 miles of 9 National Historic Trails
- 500 miles of 2 National Scenic Trails
- 1.7 million acres in 68 National Wilderness Areas; 743 study areas (23 million acres)
- 14 million acres in 8 National Conservation Areas
- 65,000 acres in the Santa Rosa Mountains National Scenic Area in California
- 80 acres in National Outstanding Natural Area (Yaquina Head, OR)
- 22 cultural sites designated as National Historic Landmarks; 228 sites are listed on the National Register of Historic Places; 5 sites have been designated as World Heritage properties
- 43 National Natural Landmarks (600,000 acres)
- 2,381 day use and 16,698 family camp units on 50,000 acres
- 908 developed and 3,047 undeveloped recreation sites
- 355 special and 161 extensive recreation management areas
- 56 visitor centers
- 21 concessions
- 8 long-term visitor areas
- 300 watchable wildlife viewing sites
- 3,000 miles of 62 designated National Back Country Byways in 11 States
- 65,000 miles of roads suitable for highway vehicles; thousands of miles of back country access
- 90.8 million acres open to off-highway vehicular use
- 54.4 million acres open to limited off-highway vehicular use
- 4.1 million acres of lakes and reservoirs; 24 million acres of riparian wetlands
- 156,000 miles of fishable streams and 183,000 miles of riparian streams
- 9,500 miles of floatable rivers along 746 river segments and 533 boating access points
- 350 miles of 21 National Recreation Trails
- 6,000 miles of 787 hiking trails and 5,200 miles of 617 equestrian trails
- 19,000 miles of motorized vehicle trails
- 897 recorded caves and cave systems

ALASKA



Surface Acreage of Land
Managed by the
Bureau of Land Management:
88.86 million acres.

Alaska State Office
222 West 7th Avenue, #13
Anchorage, AK 99513-7599

A L A S K A

BLM-managed public lands (88.86 million acres) are located throughout Alaska and are characterized by forested hills, small mountain ranges, and arctic tundra. The largest contiguous block of public lands is the National Petroleum Reserve in Alaska (NPRA),[1] a 23-million-acre area on the North Slope that is about the size of Indiana. Here, 50,000 lakes provide habitat for millions of nesting birds because the permafrost prevents water from draining.

BLM-managed lands on Alaska's North Slope are thought to contain about 6 billion barrels of oil, and more than half the bituminous coal in the United States. BLM-Alaska manages 952 miles of the National Wild and Scenic Rivers System (about 10 percent of the entire system), a National Conservation Area, a National Recreation Area, and 227 miles of the National Trails System. Recent archaeological discoveries on public lands, including the 11,700 -year-old Mesa site in the Brooks Range, have contributed to our knowledge of human migrations to the Western Hemisphere.

BLM-Alaska cooperates with State and other Federal agencies in managing these lands. For example, nine federal and state agencies are involved in the development, management, and operation of four Alaska Public Lands Information Centers. These centers are open year-round, and provide one-stop shopping for visitors wishing to learn more about the recreational and resource values of public lands. BLM-Alaska is pursuing other collaborative land management practices, including a project with *Ducks Unlimited,* to develop a more cost-effective land and habitat inventory, which uses computers to analyze data collected by satellite.

By comparison, there are approximately 88.17 million acres of land owned and managed by the State of Alaska. Beginning in 1978, Alaska combined revenues from most State lands into one fund, and earmarked a percentage to finance schools. Revenues from some State lands (including the University Lands Trust and the Mental Health Lands Trust) are dedicated specifically to education. Generally, the State of Alaska manages State lands for multiple use, but they have special designations for areas with high resource values, such as State parks or critical wildlife habitat areas. Most State lands are available for recreation.

[1] Created in 1923 to help guarantee the nation's petroleum reserves, all NPRA leases have long since expired or been terminated. Today, the reserve provides valuable nesting habitat for migratory waterfowl and shorebirds, as well for the porcupine caribou herd.

1994

Federal Collections from BLM-Managed Lands and Minerals:

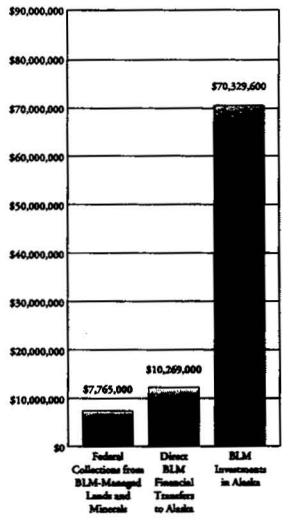
Recreation & Use Fees	57,000
Miscellaneous Receipts	286,000
Sale of Land and Materials	127,000
Mining Claim Holding Fees	960,000
Mineral Royalties, Rents, & Bonuses[2]	6,335,000
TOTAL	$7,765,000

Direct BLM Financial Transfers to Alaska:

Payment in Lieu of Taxes (PILT)	4,886,000
Proceeds of Sales	6,000
Mineral Royalties, Rents, & Bonuses	5,377,000
TOTAL	$10,269,000

BLM Investment in Alaska:

Management of Lands and Resources	52,163,000
Land Acquisition	20,000
Construction & Access	1,356,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	16,226,000
Firefighting and Rehabilitation	9,600
Service Charges, Deposits, & Forfeitures	555,000
TOTAL	$70,329,600



Allocation of Alaska Share of Federal Mineral Receipt Revenues:

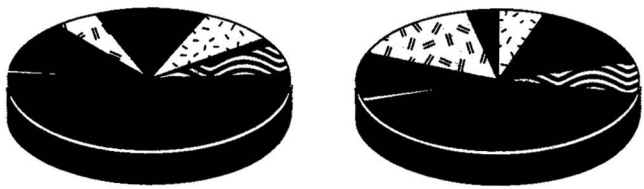
No earmarking of funds.

[2] These figures do not include the National Petroleum Reserve leases; there were no collections or payments from these leases in FY94.

Recreational Activity on BLM-Managed Land:

Activity	Participants	Hours
Camping	34,000	794,000
Fishing	6,000	21,000
Hunting	27,000	195,000
Photography, Picnicking, etc.	201,000	288,000
Boating	2,000	69,000
Motorized Travel	46,000	103,000
Winter Sports	19,000	288,000
Hiking, Backpacking, Bicycling, etc.	49,000	140,000

TOTAL ALASKA VISITS 178,000



Participants

Total Visitor Hours 1,898,000

Estimated Economic Value to Alaska of Selected Recreation Visits to BLM-Managed Land:

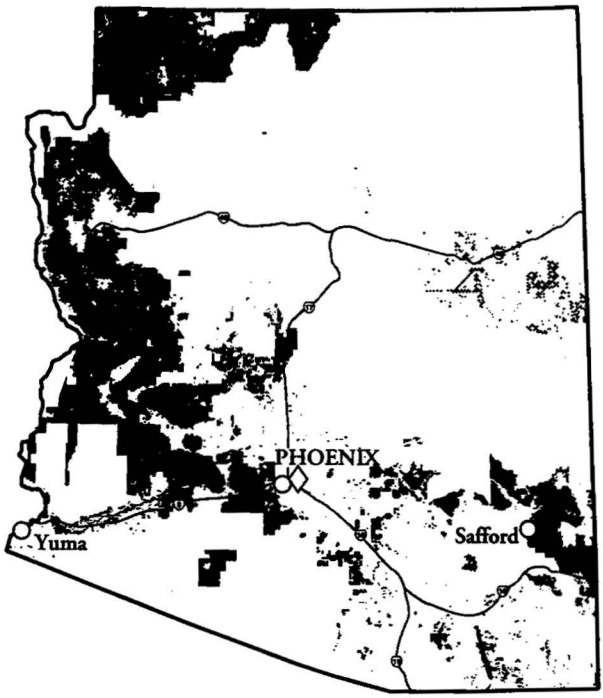
Wildlife-Associated Recreation	$25,906,000
Hunting Trips	n/a[3]

[3] Not available. The sample size was considered too small for an accurate estimate.

M I S S I O N

The Bureau of Land Management sustains the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

ARIZONA



BLM-Managed Lands
BLM State Office Locations
BLM District Office Locations
Major Highways

Surface Acreage of Land
Managed by the
Bureau of Land Management:
14.26 million acres.

Arizona State Office
3707 North 7th Street
Phoenix, AZ 85014-5080

A R I Z O N A

BLM-managed lands (14.26 million acres) are found throughout Arizona, with the greatest concentration in the northwestern corner and the central-western corridor of the State. They extend across four major deserts: the Chihuahuan, Sonoran, Mohave, and Great Basin Deserts. Public lands also include pinyon-juniper and ponderosa pine forest, as well as small amounts of riparian/wetland habitat.

Some of the nation's best preserved prehistoric and historic sites are found on Arizona's public lands. These include mammoth kill sites, remnants of a Spanish military fort, and Indian dwellings over 1,000 years old. There are also 47 Wilderness Areas, 2 Riparian National Conservation Areas (RNCA), and 16 concessions along the Colorado River, which provide full-service campgrounds and trailer and recreational vehicle parks. The San Pedro RNCA provides one of the best examples of a functioning riparian area in the desert southwest. Another popular attraction on Arizona's public lands is the annual SCORE 400 off-highway vehicle race. Arizona's public lands are visited by more than double the number of people who visit the Grand Canyon each year.

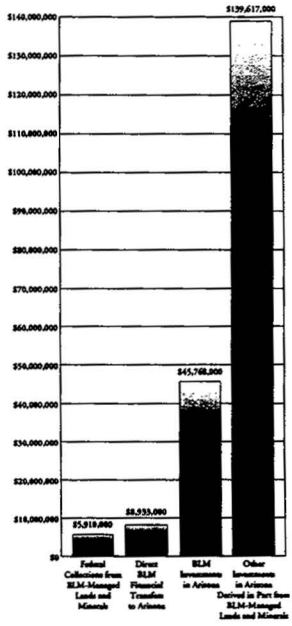
BLM-Arizona has entered into a number of collaborative agreements to improve the management of the public lands. BLM works with the State Land Department to manage grazing allotments where ownership is intermingled. The agency has joined with the Arizona Game and Fish Department to promote a number of wildlife projects, including the Lake Havasu Fisheries Improvement Program.

Additionally, BLM-Arizona has increased partnerships by adopting an interdisciplinary management process, which brings outside interests into the planning process, and eliminates the need for multiple plans for a single area. For example, the Black Mountain Interdisciplinary Team has brought together sportsmen, representatives from the livestock industry, wilderness groups, and organizations for the protection of bighorn sheep and wild burros to collaborate on an environmental plan and assessment for the Black Mountain Ecosystem.

By comparison, there are 10.3 million acres of land owned by the State of Arizona. The State Land Department manages 9.36 million acres of school trust land to generate maximum revenue for the school fund. Although mining,

grazing, agricultural, and commercial leasing all take place on State lands, the State is not required to manage the lands for multiple use. State trust lands are not open to the public except with written authorization of the State Land Commissioner. However, hunting and fishing are permitted on designated State trust land with a valid license from the Arizona Game and Fish Department. The remaining State land is managed by the Arizona Game and Fish Department and the Departments of Administration and Transportation. Arizona State Parks manages a limited recreational program with a very small land base. However, recreational use occurs in the parks year-round.

Federal Collections from BLM-Managed Lands and Minerals:	
Grazing Fees	996,000
Recreation & Use Fees	286,000[1]
Miscellaneous Receipts	840,000
Sale of Land and Materials	837,000
Mining Claim Holding Fees	2,803,000
Mineral Royalties, Rents, & Bonuses	148,000
TOTAL	**$5,910,000**
Direct BLM Financial Transfers to Arizona:	
Payment in Lieu of Taxes (PILT)	8,580,000
Grazing Fees	228,000
Proceeds of Sales	31,000
Mineral Royalties, Rents, & Bonuses	94,000
TOTAL	**$8,933,000**
BLM Investments in Arizona:	
Management of Lands & Resources	37,049,000
Land Acquisition	1,853,000
Range Improvements	602,000
Construction and Access	302,000
Fire Management/Firefighting	
Prescribed Fire /Presuppression	1,495,000
Firefighting and Rehabilitation	4,070,000
Service Charges, Deposits, & Forfeitures	397,000
TOTAL	**$45,768,000**



[1] Excludes revenues from BLM concessions, which totaled $199,000 in FY94.

Other Investments in Arizona Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$139,617,000

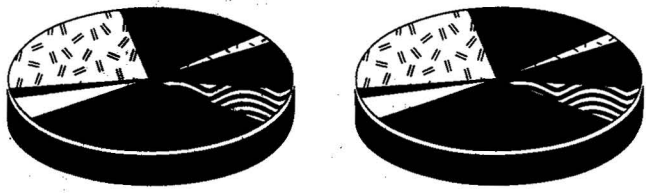
Allocation of Arizona Share of Federal Mineral Receipt Revenues:

General Revenue	100%

FY94 Recreational Activity on BLM-Managed Land

Activity	Participants	Hours
Camping	2,636,000	82,988,000
Fishing	444,000	1,089,000
Hunting	186,000	2,252,000
Photography, Picnicking, etc.	2,066,000	6,735,000
Swimming & Water Skiing	1,495,000	3,044,000
Boating	190,000	5,498,000
Motorized Travel	931,000	6,835,000
Winter Sports (does not appear on charts)	1,000	3,000
Hiking, Backpacking, Bicycling, etc.	710,000	5,122,000

TOTAL ARIZONA VISITS 4,722,000



Participants **Total Visitor Hours 113,566,000**

Estimated Economic Value to Arizona of Selected Recreation Visits to BLM-Managed Land:

Wildlife-Associated Recreation	$49,984,000
Hunting Trips	$186,353,000

M I S S I O N

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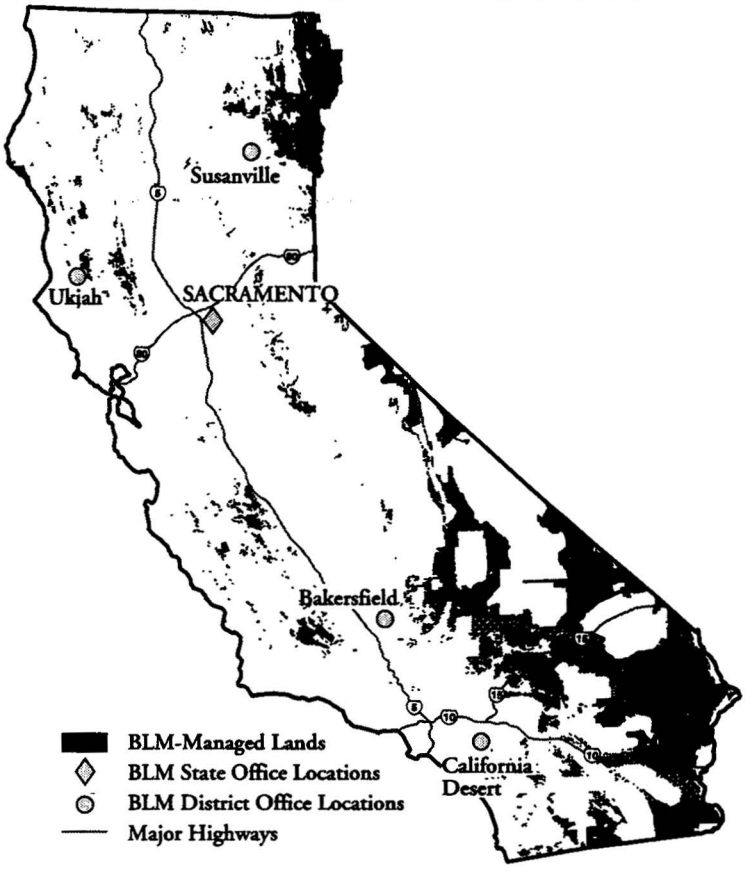
CALIFORNIA



Surface Acreage of Land
Managed by the
Bureau of Land Management:
17.28 million acres.

California State Office
Federal Building
2800 Cottage Way, E-2841
Sacramento, CA 95825-1889

The majority of BLM-managed lands (17.28 million acres) are located in the California Desert in southern California, with smaller, but significant concentrations throughout the State. The terrain covered by public lands is extremely diverse, ranging from sagebrush plains to old growth forests, from sand dunes to the Pacific coastline, and from land bordering rivers to arid high desert.

Public lands provide tremendous rewards to the people of California, and to others who use them. Their noncommercial benefits are considerable. They provide habitat for more than 800 species of plants and animals, many of them considered threatened or endangered. BLM-managed lands support rangeland for wild horses and burros, and provide recreation opportunities for thousands of visitors through hiking trails, rivers, off-highway vehicle areas, campgrounds, and over 3.7 million acres of wilderness. Notable recreation areas include the King Range National Conservation Area near Ukiah, the Bizz Johnson Trail near Susanville, the Imperial Sand Dunes in southern California, and the Merced River in the Mother Lode of the Sierra Nevada.

The commercial benefits derived from public lands are equally important. "The Geysers," located partly on public land in Northern California, ranks among the most productive geothermal fields in the world, generating electricity for 950,000 people annually. California is also the fourth largest oil and gas producing State in the nation, supplying 18.5 million barrels of oil from public lands. These resources generate millions of dollars in revenues, half of which is given directly to the State of California. Wind energy from sites in Southern California provide power for some 125,000 people. Additionally, the public lands are one of the primary suppliers of sand and gravel for California's ever-expanding infrastructure of roads and buildings.

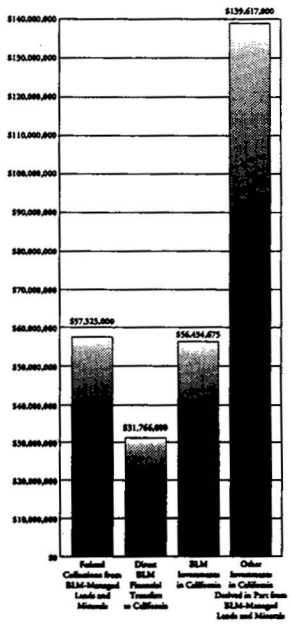
To improve public land management, in 1991 BLM-California initiated a collaborative effort that resulted in the historic Biodiversity Agreement. This Statewide agreement includes more than 25 Federal and State agencies, all ten County Regional Associations, and numerous other partners who have joined together in several cooperative multijurisdictional planning efforts. This agreement has helped promote grass-roots, local involvement in resource management practices that meet biodiversity and economic needs.

One biodiversity planning effort in southern California's West Mojave region has brought public and local land managers together to prepare an interagency plan to manage habitat for the desert tortoise and other sensitive species on public and private land. A comprehensive planning effort is underway in the Coachella Valley to ensure long-term survival of

species, while providing for economic growth in the region. In the Klamath region of northwestern California, the Biodiversity Agreement has helped bring public and local land managers together to restore steelhead and salmon runs, protect significant foothill and riparian resources, and provide important habitat for raptors and migratory birds.

By contrast, the State of California owns approximately 2 million acres, of which nearly 1.3 million acres are managed for recreation and preservation. The California State Lands Commission manages an additional 580,000 acres to generate income for the State Teachers Retirement System. The State is required to maximize revenues from these lands, but must do so while complying with State environmental standards.

Federal Collections from BLM-Managed Lands and Minerals:	
Grazing Fees	449,000
Recreation & Use Fees	184,000
Miscellaneous Receipts	4,177,000
Sale of Land and Materials	2,138,000
Mining Claim Holding Fees	3,070,000
Mineral Royalties, Rents, & Bonuses	47,305,000
TOTAL	57,323,000
Direct BLM Financial Transfers to California:	
Payment in Lieu of Taxes (PILT)	9,964,000
Grazing Fees	134,000
Proceeds of Sales	124,000
Mineral Royalties, Rents, & Bonuses	21,544,000
TOTAL	$31,766,000
BLM Investments in California:	
Management of Lands & Resources	43,763,000
Land Acquisition	3,152,000
Range Improvements	401,000
Construction & Access	1,745,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	6,414,000
Firefighting and Rehabilitation	7,675
Service Charges, Deposits, & Forfeitures	952,000
TOTAL	$56,434,675



Other Investments in California Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$139,617,000

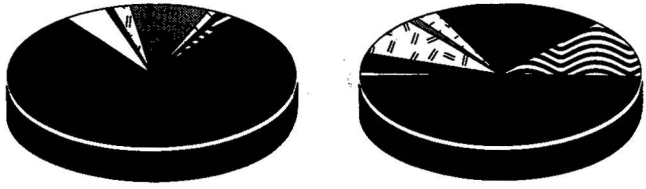
Allocation of California Share of Federal Mineral Receipt Revenues:

Primary School Trust	85%
Community Colleges	15%

FY94 Recreational Activity on BLM-Managed Land:

Activity	Participants	Hours
Camping	1,307,000	35,695,000
Fishing	231,000	850,000
Hunting	473,000	3,137,000
Photography, Picnicking, etc.	2,384,000	6,382,000
Swimming & Water Skiing	321,000	899,000
Boating	231,000	1,711,000
Motorized Travel	3,430,000	14,351,000
Winter Sports (does not appear on charts)	1,000	3,000
Hiking, Backpacking, Bicycling, etc.	21,46,000	9,890,000

TOTAL CALIFORNIA VISITS 8,958,000



Participants

Total Visitor Hours 72,918,000

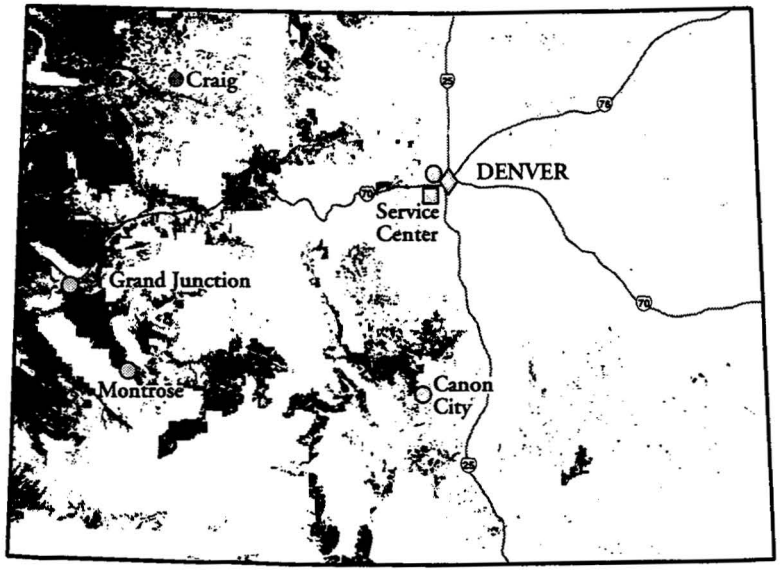
Estimated Economic Value to California of Selected Recreation Visits to BLM-Managed Land:

Wildlife-Associated Recreation	$205,677,000
Hunting Trips	$297,771,000

M I S S I O N

The Bureau of Land Management sustains the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

COLORADO



BLM-Managed Lands
BLM State Office Locations
BLM District Office Locations
Major Highways

Surface Acreage of Land
Managed by the
Bureau of Land Management:
8.31 million acres.

Colorado State Office
2850 Youngfield Street
Lakewood, CO 80215-7076

C O L O R A D O

Colorado's public lands (8.31 million acres) are concentrated primarily in the western portion of the State, although smaller parcels are scattered over the eastern plains. These lands cover a wide variety of terrain, from alpine tundra in the southwest, to arid and colorful canyons and mesas. They support pinyon-juniper scrub forests, shrubs, and sagebrush. In the east, public lands extend primarily across the open plains.

Colorado's public lands support a range of important activities, including mineral extraction and grazing. Oil and natural gas supplies are marketed nationally. Many ranching operations rely on nearby public lands for seasonal forage for their livestock. Other significant resources on Colorado's public lands include ruins from the prehistoric Anasazi culture, and BLM-managed lands throughout the State provide habitat for deer, elk, and antelope, as well as threatened and endangered species.

The wide range of elevation, from 4,000 feet to 14,000 feet, and the variety of terrain and vegetation, provides an important scenic resource. Lower elevation public lands and back country byway routes help supply year-round recreational opportunities on public lands.

BLM-Colorado has concluded Memoranda of Understanding with State or County governments to provide several services, including land use planning, law enforcement, wildfire control, and road maintenance. One important cooperative effort is in the Kremmling Resource Area of the Craig District, where BLM is working with other Federal, State, and County representatives, as well as with private ranchers, to manage 240,000 acres of intermingled land. The initiative has improved habitat for waterfowl and upland wildlife, domestic livestock grazing, big game hunting, and watershed protection.

In addition to BLM-managed lands, there are also 3.35 million acres of State-owned lands in Colorado; these fall into three categories. The majority are trust lands (approximately 2.88 million acres), which the State manages to maximize revenue for the school system. These lands are not managed for multiple use; formerly lessees could close them to hunting. Recently, however, some lessees have begun to open these lands for public use.

The Colorado Division of Wildlife manages approximately 310,000 acres for fisheries, waterfowl, upland birds and animals, as well as for big game habitat. These lands are open to the public for hunting and fishing. The remaining State lands are located close to major metropolitan areas and are used for recreation.

Federal Collections from BLM-Managed Lands and Minerals:

Grazing Fees	873,000
Recreation & Use Fees	106,000
Mining Claim Holding Fees	945,000
Miscellaneous Receipts	465,000
Sale of Land and Materials	512,000
Mineral Royalties, Rents, & Bonuses	76,248,000
TOTAL	**$79,149,000**

Direct BLM Financial Transfers to Colorado:

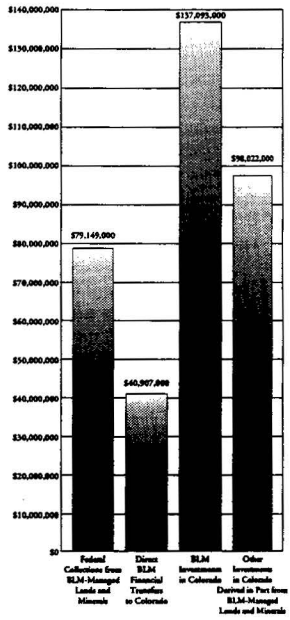
Payment in Lieu of Taxes (PILT)	6,368,000
Grazing Fees	147,000
Proceeds of Sales	20,000
Mineral Royalties, Rents, & Bonuses	34,372,000
TOTAL	**$40,907,000**

BLM Investments in Colorado:

Management of Lands and Resources	122,716,000
Land Acquisition	1,056,000
Range Improvements	401,000
Construction & Access	850,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	2,487,000
Firefighting and Rehabilitation	9,107,000
Service Charges, Deposits, & Forfeitures	476,000
TOTAL	**$137,093,000**

Other BLM Investment in Colorado Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$98,022,000



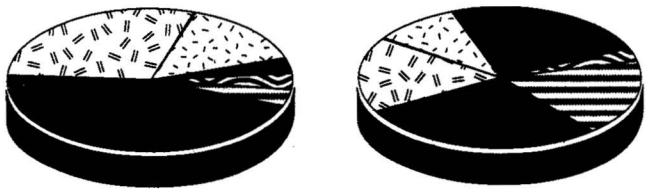
Allocation of Colorado Share of Federal Mineral Receipt Revenues:

No specific allocation, but revenue generally used to fund the school system and transportation.

FY94 Recreational Activity on BLM-Managed Land:

Activity	Participants	Hours
Camping	299,000	9,685,000
Fishing	301,000	1,192,000
Hunting	290,000	7,063,000
Photography, Picnicking, etc.	3,123,000	9,692,000
Swimming & Water Skiing	19,000	46,000
Boating	546,000	1,720,000
Motorized Travel	2,330,000	6,874,000
Winter Sports	29,000	166,000
Hiking, Backpacking, Bicycling, etc.	1,184,000	3,808,000

TOTAL COLORADO VISITS 4,715,000



Participants

Total Visitor Hours 40,246,000

Estimated Economic Value to Colorado of Selected Recreation Visits to BLM-Managed Land:

Wildlife-Associated Recreation	$45,251,000
Hunting Trips	$92,713,000

M I S S I O N

The Bureau of Land Management sustains the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

EASTERN STATES

Sub-surface Mineral Estate Acreage in the Eastern United States Manage by the Bureau of Land Management

Department of the Interior
Eastern States
7450 Boston Boulevard
Springfield, VA 22153

E A S T E R N S T A T E S

BLM-Eastern States is responsible for the stewardship of 30,000 acres of public lands and resources in the 31 states bordering upon and east of the Mississippi River. Additionally, Eastern States is responsible for administering more than 39 million acres of federal mineral estate.

One of the most important responsibilities of BLM-Eastern States is to maintain more than nine million historic General Land Office (GLO) records dating back to 1787. These records are in demand by title companies, researchers and genealogists. BLM-Eastern States is a pioneer in the field of historic records automation and is preserving and improving access to these records through the GLO Automated Records Project. This project has already produced CD-ROMs containing all the records in our files for five states, with more to come.

There are a number of significant resources on lands managed by BLM-Eastern States. About two-thirds of all wild horses and burros adopted under the BLM's Adopt-A-Horse program find their homes in the 31 eastern states. With one contract adoption center and 20-30 satellite adoption events more than 4,000 animals are adopted through the BLM-Eastern States each year. Additionally, BLM-Eastern States oversees the leasing and development of federal minerals including coal mining, oil and gas exploration and production and lead and zinc mining in 21 states.

While a comparatively small amount of surface acres is managed by the BLM-Eastern States, their locations make them very important. In the heavily populated east, the BLM's lands are of prime importance for recreation and partnerships with local governments. Cooperative management agreements with state and local governments provide key recreation sites such as the Lake Vermillion Islands in Minnesota, scenic beaches in Florida and historic lighthouses in the Great Lakes and along the Florida coast. Developing partnerships through Recreation and Public Purposes Act leases provide much needed opportunities for large numbers of people to use and enjoy their public lands.

Another priority for Eastern States is the development of partnerships, environmental education and outreach programs, which help introduce residents of the eastern United States to public lands in the west and in Alaska. BLM-Eastern States holds environmental education camps, and works with local schools, school boards, and state departments of education and natural resources to promote stewardship of the public lands.

1994

Federal Collections from BLM-Managed Lands and Minerals:

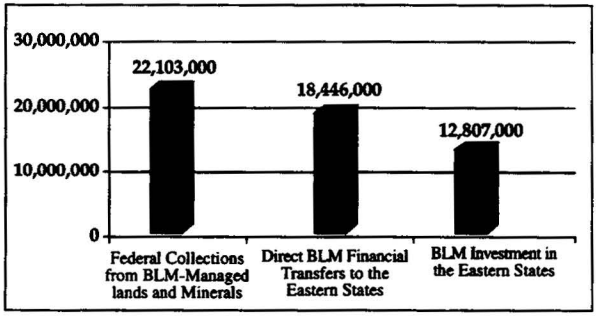
Miscellaneous Receipts		66,000
Sale of Land and Materials		79,000
Mining Claim Holding Fees		21,000
Mineral Royalties, Rents & Bonuses		21,607,000
	TOTAL	**$22,103,000**

Direct BLM Financial Transfers to the Eastern States:

Payment in Lieu of Taxes (PILT)		13,589,000
Mineral Royalties, Rents & Bonuses		4,857,000
	TOTAL	**$18,446,000**

BLM Investment in the Eastern States:

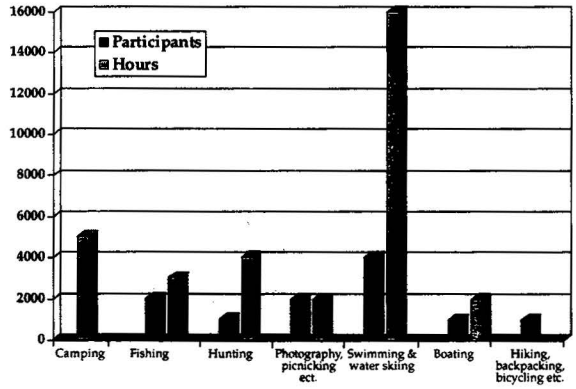
Management of Lands & Resources		$ 12,807,000
	TOTAL	**$12,807,000**



FY94 Recreational Activity on BLM-Managed Land

Activity	Participants	Hours
Camping	0[1]	5,000
Fishing	2,000	3,000
Hunting	1,000	4,000
Photography, picnicking etc.	2,000	2,000
Swimming & water skiing	4,000	16,000
Boating	1,000	2,000
Hiking, backpacking, bicycling etc.	1,000	0[2]

TOTAL VISITOR HOURS **32,000**



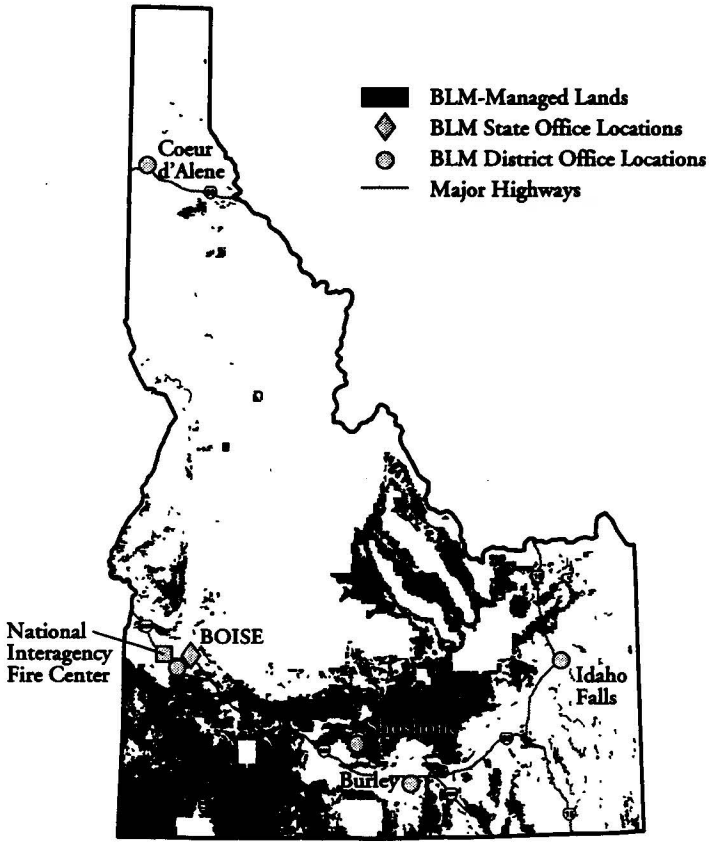
TOTAL EASTERN STATES VISITS **9,000**

Estimated Economic Value to the Eastern States of Selected Recreation Visits to BLM-Managed Land:

Wildlife-associated recreation $18,301,000

[1] This figure reflects reporting error.
[2] Ibid.

IDAHO



Surface Acreage of Land
Managed by the
Bureau of Land Management:
11.85 million acres.

Idaho State Office
3380 Americana Terrace
Boise, ID 83706-2500

I D A H O

BLM-managed lands (11.85 million acres) are scattered across Idaho, with the largest concentration located in the southwest corner of the State close to the Oregon, Nevada, and Utah borders. Public lands extend across a variety of terrain, from alpine and timber to cold desert and lava flows.

Visitors and residents alike enjoy numerous recreation opportunities on Idaho's public lands, including world-class hunting and fishing. BLM-managed lands provide public access to lakes and rivers throughout the State. Lake Coeur D'Alene and the Lower Salmon and Clearwater Rivers are located in the north; the desert river canyon lands are found in the southwest; the Snake, Salmon, and Lemhi Rivers, as well as the Great Rift lava flows are in the central part of the state; and the South Fork of the Snake is in the east.

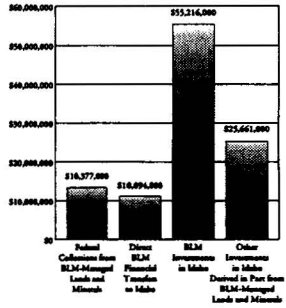
As part of its landscape-based approach to management, BLM-Idaho is participating in several partnerships to ensure that decisions regarding public land use are made in cooperation with interested groups. For example, the South Fork Coalition in Idaho Falls has helped BLM develop management plans for the South Fork, and the Boise Front Coalition assists BLM in planning and managing the heavily used foothills outside the State capital.

By comparison, there are approximately 2.47 million acres of land owned and administered by the State of Idaho. The State manages them for maximum return, and revenues support the school system. Although the State has some developed recreation areas, grazing and timber are the primary uses of State land.

1994

Federal Collections from BLM-Managed Lands and Minerals:

Grazing Fees	2,014,000
Recreation & Use Fees	126,000
Miscellaneous Receipts	467,000
Sale of Land and Materials	681,000
Mining Claim Holding Fees	1,669,000
Mineral Royalties, Rents, & Bonuses	5,420,000
TOTAL	**$10,377,000**



Direct BLM Financial Transfers to Idaho:

Payment in Lieu of Taxes (PILT)	7,277,000
Grazing Fees	279,000
Proceeds of Sales	29,000
Mineral Royalties, Rents, & Bonuses	2,509,000
TOTAL	**$10,094,000**

BLM Investment in Idaho:

Management of Lands and Resources	32,788,000
Range Improvements	1,203,000
Construction & Access	120,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	14,028,000
Firefighting and Rehabilitation	6,760,000
Service Charges, Deposits, & Forfeitures	317,000
TOTAL	**$55,216,000**

Other Investments in Idaho Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$25,661,000

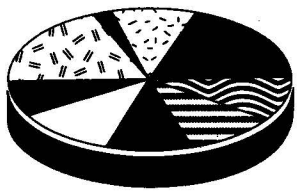
Allocation of Idaho Share of Federal Mineral Receipt Revenues:

Counties of origin receive 100% of receipts.

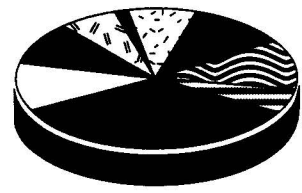
FY94 Recreational Activity on BLM-Managed Land:

Activity	Participants	Hours
Camping	523,000	11,219,000
Fishing	569,000	3,620,000
Hunting	412,000	3,212,000
Photography, Picnicking, etc.	959,000	2,188,000
Swimming & Water Skiing	126,000	493,000
Boating	494,000	2,515,000
Motorized Travel	970,000	3,687,000
Winter Sports	507,000	3,716,000
Hiking, Backpacking, Bicycling, etc.	534,000	1,778,000

TOTAL IDAHO VISITS 4,059,000



Participants



Total Visitor Hours 32,428,000

Estimated Economic Value to Idaho of Selected Recreation Visits to BLM-Managed Land:

Wildlife-Associated Recreation	$26,612,000
Hunting Trips	$49,240,000

M I S S I O N

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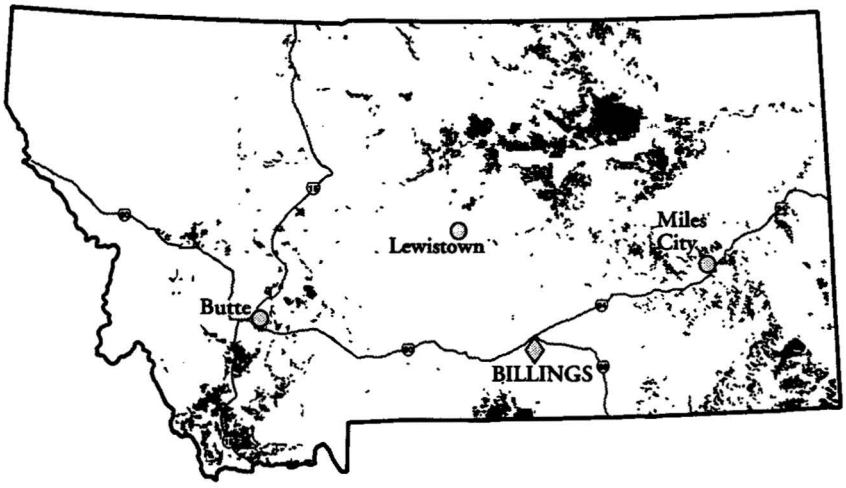
MONTANA



BLM-Managed Lands
BLM State Office Locations
BLM District Office Locations
Major Highways

Surface Acreage of Land Managed by the Bureau of Land Management: 8.08 million acres.

The Montana State Office also has jurisdiction over BLM-managed land in North and South Dakota.

Montana State Office
Granite Tower
222 North 32nd Street
Billings, MT 59101

M O N T A N A

The public lands in Montana (8.08 million acres) are widely scattered, with the greatest concentrations in the western, southeastern, and central parts of the State. BLM-managed lands extend across a variety of types of land, including mountainous terrain, forests supporting douglas fir and ponderosa pine, and plains.

Montana's public lands are rich in archaeological and historic significance--Native American burial sites and artifacts, sacred religious sites, and dinosaur fossils are all found on BLM-managed lands. There are also important historic sites dating from early exploration of the country; Pompey's Pillar is the only remaining physical evidence of the Lewis & Clark expedition.

Mineral resources on Montana's public lands include gold, coal, oil, and gas. The country's only underground phosphate mine is found on BLM-managed lands. There are also large surface mines, which recover gold using heap leaching, as well as placer mines. In addition, extensive recreational opportunities are available on Montana's public lands, including hunting, fishing, boating, camping, and bird-watching.

BLM-Montana has entered into a number of cooperative agreements to improve public land management, including Memoranda of Understanding reached with several counties to control the spread of noxious weeds. Noxious weeds pose a major threat to public lands in Montana, overtaking approximately 200,000 acres in the last 10 years. The Department of the Interior is considering a major government-wide initiative to combat the spread of noxious weeds nationally.

Another successful cooperative agreement has resulted in the Richard E. Wood Watchable Wildlife Area. Located in the Havre Resource Area, this area provides habitat for nesting birds and wildlife. BLM bought the property in 1990 and reached management agreements with *Pheasants Forever*, the State Department of Fish, Wildlife, and Parks; and local farmer, James Woods. Mr. Woods continues to farm the land and harvest the corn in exchange for his labor and use of equipment. He also helps maintain roads and control weeds.

In addition to Montana's BLM-managed lands, there are approximately 5.5 million acres owned and managed by the

State of Montana. Revenues from these lands fund the school system. The Department of State Lands and the Montana Department of Fish, Wildlife, and Parks are the two primary State land management agencies. Like public lands, State lands are managed for multiple use and are open year-round for a variety of recreational uses. However, some State lands, such as cropland, are not legally accessible to the public.

Federal Collections from BLM-Managed Lands and Minerals:

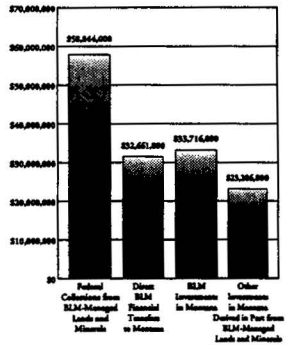
Grazing Fees	1,662,000
Recreation & Use Fees	91,000
Miscellaneous Receipts	101,000
Sale of Land and Materials	990,000
Mining Claim Holding Fees	2,618,000
National Grasslands[1]	1,652,000
Mineral Royalties, Rents, & Bonuses	51,730,000
TOTAL	$58,844,000

Direct BLM Financial Transfers to Montana:

Payment in Lieu of Taxes (PILT)	7,783,000
Grazing Fees	315,000
Proceeds of Sales	44,000
National Grasslands[2]	524,000
Mineral Royalties, Rents, & Bonuses	23,995,000
TOTAL	$32,661,000

BLM Investments in Montana:

Management of Lands and Resources	28,033,000
Land Acquisition	268,000
Range Improvements	802,000
Construction & Access	200,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	1,553,000
Firefighting and Rehabilitation	2,622,000
Service Charges, Deposits, & Forfeitures	238,000
TOTAL	$33,716,000



[1] Includes $914,000 in mineral royalties, rents, and bonuses.

[2] Payment in FY94 for State share of CY93 receipts.

Other Investments in Montana Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$23,206,000

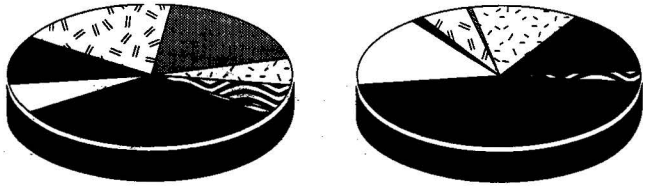
Allocation of Montana Share of Federal Mineral Receipt Revenues:

School trust	100%

FY94 Recreational Activity on BLM-Managed Land:[3]

Activity	Participants	Hours
Camping	139,000	585,000
Fishing	227,000	105,000
Hunting	376,000	1,811,000
Photography, Picnicking, etc.	380,000	643,000
Swimming & Water Skiing	8,000	0[4]
Boating	124,000	54,000
Motorized Travel	126,000	214,000
Winter Sports	19,000	19,000
Hiking, Backpacking, Bicycling, etc.	647,000	476,000

TOTAL MONTANA VISITS 1,405,000



Participants

Total Visitor Hours 3,907,000

Estimated Economic Value to Montana of Selected Recreation Visits to BLM-Managed Land:

Wildlife-Associated Recreation	$14,924,000
Hunting Trips	$102,035,000

[3] Recreational data and the value of selected recreation visits to BLM-managed lands are according to administrative state. Therefore, both these categories include data for 340,000 acres of BLM-managed land in North and South Dakota, as well as for BLM-managed land in Montana.

[4] This figure reflects a reporting error.

M I S S I O N

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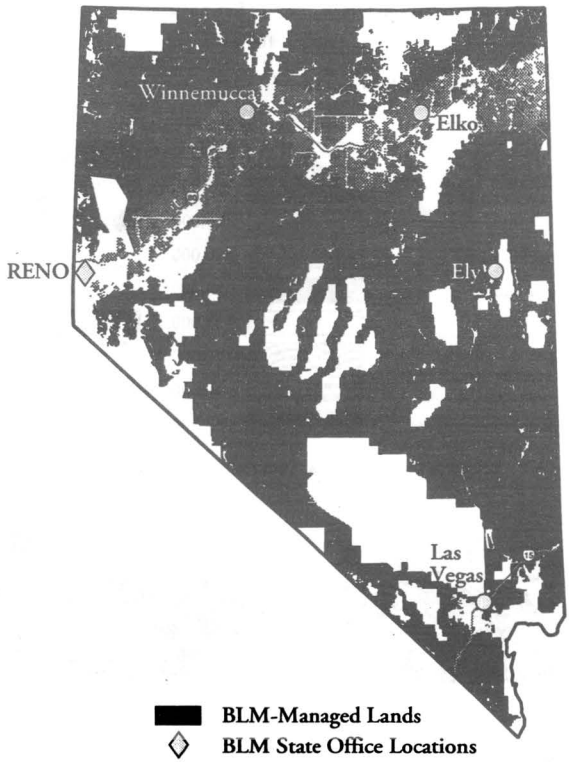
NEVADA



Surface Acreage of Land
Managed by the
Bureau of Land Management:
47.97 million acres.

Nevada State Office
850 Harvard Way
P.O. Box 12000
Reno, NV 89520-0006

N E V A D A

BLM is the primary land manager in Nevada overseeing about 67 percent of the state (47.97 million acres). The terrain is varied: BLM-managed lands extend from the Sierra foothills in the west to pinyon juniper woodlands in the east. In the north, the public lands include high desert, which is used for grazing and is also the site of many of the nation's gold mines. To the south is the Mojave Desert, which is home to the rare desert tortoise, and the Red Rock Canyon National Conservation Area, a major tourist attraction.

BLM-Nevada consults extensively with State and County governments on planning and environmental studies. One of the most effective partnerships has been between BLM and the State Department of Minerals regarding surface management of mining operations. The two agencies review and approve jointly plans of operations, which include reclamation and revegetation requirements, water management, and bonding. A single bonding system meets the requirements of both agencies. In addition, BLM-Nevada has an agreement with all counties to provide for joint land-use planning.

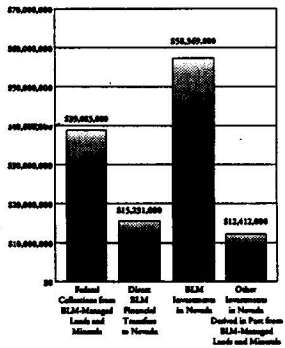
Another BLM-led mining initiative is the Butcher Boy Pilot Project, which has studied the feasibility of enhancing Great Basin mine reclamation with biosolids. The Cities of Reno and Sparks have sent sewage sludge to enrich degraded mine lands; the project has received awards from Renew America and the National Awards Council for Environmental Sustainability.

When Nevada became a State in 1864, the Federal government granted lands to the new State. The State of Nevada exchanged these lands for about 2 million acres, most of which it then sold. Only about 3,000 acres of State school trust lands remain, which have been left largely untouched and do not bring in any revenue. However, the State does receive some income from acquired lands used primarily for State parks or wildlife use.

1994

Federal Collections from BLM-Managed Lands and Minerals:

Grazing Fees	2,758,000
Recreation & Use Fees	54,000
Miscellaneous receipts	1,468,000
Sale of Land and Materials	3,546,000
Mining Claim Holding Fees	14,883,000
Mineral Royalties, Rents, & Bonuses	16,374,000
TOTAL	$39,083,000



Direct BLM Financial Transfers to Nevada:

Payment in Lieu of Taxes (PILT)	6,850,000
Grazing Fees	349,000
Proceeds of Sales	202,000
Nevada Land Sales[1]	288,000
Mineral Royalties, Rents, & Bonuses	7,542,000
TOTAL	$15,231,000

BLM Investment in Nevada:

Management of Lands and Resources	37,936,000
Land Acquisition	81,000
Range Improvements	1,905,000
Construction & Access	545,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	5,649,000
Firefighting and Rehabilitation	11,383,000
Service Charges, Deposits, & Forfeitures	870,000
TOTAL	$58,369,000

Other Investments in Nevada Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$12,412,000

[1] Under the Burton-Santini Act of 1980, money from certain land sales in the Las Vegas Valley is used to purchase land in Lake Tahoe National Forest. Ten percent of receipts is returned either to Clark County or to the City of Las Vegas. Five percent of receipts goes directly to the State. The figures identified in this category refer to the total payments to both City/County and the State. These payments are from calendar year 1995 receipts. Calendar year 1994 receipts total $271,200, which will be disbursed in calendar year 1995.

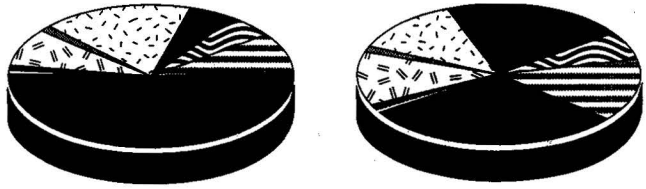
Allocation of Nevada Share of Federal Mineral Receipt Revenues:

Cities, counties, towns, & schools based upon their tax rate multiplied by 5.

FY94 Recreational Activity on BLM-Managed Land:

Activity	Participants	Hours
Camping	274,000	4,378,000
Fishing	275,000	1,392,000
Hunting	473,000	3,024,000
Photography, Picnicking, etc.	2,629,000	6,234,000
Swimming & Water Skiing	42,000	123,000
Boating	56,000	279,000
Motorized Travel	453,000	2,659,000
Winter Sports	66,000	291,000
Hiking, Backpacking, Bicycling, etc.	863,000	2,567,000

TOTAL NEVADA VISITS 4,245,000



Participants

Total Visitor Hours 20,947,000

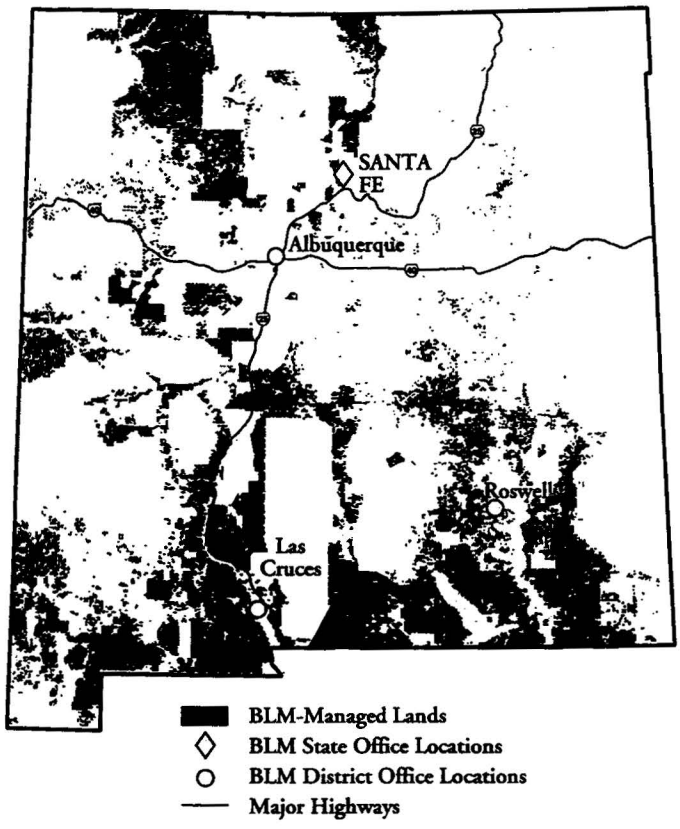
Estimated Economic Value to Nevada of Selected Recreation Visits to BLM-Managed Land:

Wildlife-Associated Recreation	$95,658,000
Hunting Trips	$114,761,000

M I S S I O N

The Bureau of Land Management sustains the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

NEW MEXICO



Surface Acreage of Land Managed by the Bureau of Land Management: 12.89 million acres.

The New Mexico State Office also has jurisdiction over BLM-managed land in Oklahoma and Texas

New Mexico State Office
1474 Rodeo Road
Santa Fe, NM 87505

There are BLM-managed lands (12.89 million acres) throughout New Mexico, with the exception of the northeast corner where acreage is minimal. The terrain is varied, including desert, mountains, brush-covered hillsides, wild rivers, and dry arroyos.

Public lands in New Mexico are rich in cultural and mineral resources. The largest reserve of potash in the U.S. is in southeast New Mexico, and the San Juan Basin in the northwest corner of the State has one of the nation's most significant reserves of natural gas. New Mexico is home to several 19th-century military forts, as well as more than 250 limestone caverns. Additionally, New Mexico's public lands offer numerous recreational opportunities, including the Rio Grande River, a portion of which is designated as a Wild and Scenic River, the Valley of the Fires Recreation Area, and the Bisti Wilderness.

BLM-New Mexico administers these lands in cooperation with a number of other groups. The Rio Puerco Resource Area has entered into an agreement with the Jicarilla Apache Nation to manage oil and gas extraction on tribal land. In southwest New Mexico, 38 ranchers and landowners have formed the Malpais Borderland Group to work with BLM on fire management, conservation easements, and grass banking.

In the Roswell District, another collaborative effort has brought together four oil and gas companies to compile a uniform set of rules for oil and gas activity on public land. This type of cooperation and advance planning has helped make Roswell the focus of extensive oil and gas exploration and development.

In another cooperative project, the Taos Resource Area installed their first solar-powered electric fence to protect riparian areas along the Rio Grande corridor. The project brought together BLM-New Mexico, local environmental groups, and the grazing permittee on whose allotment the fencing was placed. BLM used rafts to ferry equipment across the Rio Grande and the local permittee helped erect the fence.

By comparison, there are approximately 8.75 million acres of land owned and managed by the State of New Mexico.[1] The State is required to optimize revenues from these lands for long-term benefit, and uses the income to sup-

[1] The State of New Mexico owns the subsurface mineral rights on an additional 13.5 million acres.

port the school system. The State leases easements from private interests for recreational access to angling and boating areas on these lands, and for hunting during open seasons.

In addition, the New Mexico State Game Commission and the New Mexico Department of Game and Fish own directly about 165,000 acres scattered throughout the State. About 122,000 acres support habitat for big game, and the balance is farmed as waterfowl management areas to provide feed for migratory birds. Recreation is encouraged on agency properties under reasonable regulations to protect wildlife resources.

Federal Collections from BLM-Managed Lands and Minerals:

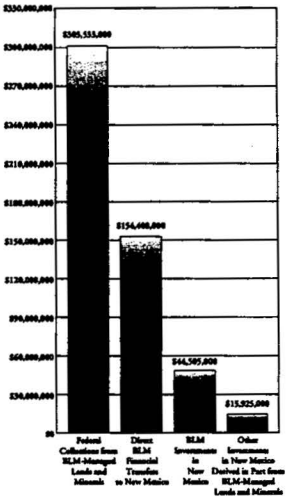
Grazing Fees	3,099,000
Recreation & Use Fees	185,000
Miscellaneous Receipts	756,000
Sale of Land and Materials	660,000
Mining Claim Holding Fees	777,000
National Grasslands	57,000[2]
Mineral Royalties, Rents, & Bonuses	297,999,000
TOTAL	$303,533,000

Direct BLM Financial Transfers to New Mexico:

Payment in Lieu of Taxes (PILT)	10,632,000
Grazing Fees	553,000
Proceeds of Sales	36,000
National Grasslands	13,000
Mineral Royalties, Rents, & Bonuses	143,174,000
TOTAL	$154,408,000

BLM Investments in New Mexico:

Management of Lands and Resources	36,315,000
Land Acquisition	1,181,000
Range Improvement Fund	1,604,000
Construction & Access	2,052,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	1,015,000
Firefighting and Rehabilitation	1,703,000
Service Charges, Deposits, & Forfeitures	635,000
TOTAL	$44,505,000



[2] Includes $6,000 in oil and gas royalties, rents, and bonuses.

Other Investments in New Mexico Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$15,925,000

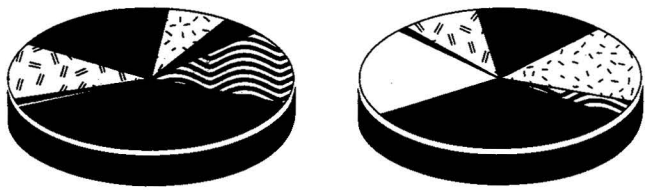
Allocation of New Mexico Share of Federal Mineral Receipt Revenues:

100% to general revenue.

FY94 Recreational Activity on BLM-Managed Land:[3]

Activity	Participants	Hours
Camping	209,000	3,762,000
Fishing	135,000	817,000
Hunting	517,000	6,613,000
Photography, Picnicking, etc.	1,134,000	4,315,000
Swimming & Water Skiing	11,000	(does not appear on charts) 29,000
Boating	43,000	221,000
Motorized Travel	388,000	1,884,000
Hiking, Backpacking, Bicycling, etc.	557,000	3,079,000

TOTAL NEW MEXICO VISITS 2,741,000



Participants

Total Visitor Hours 20,720,000

Estimated Economic Value to New Mexico of Selected Recreation Visits to BLM-Managed Land:

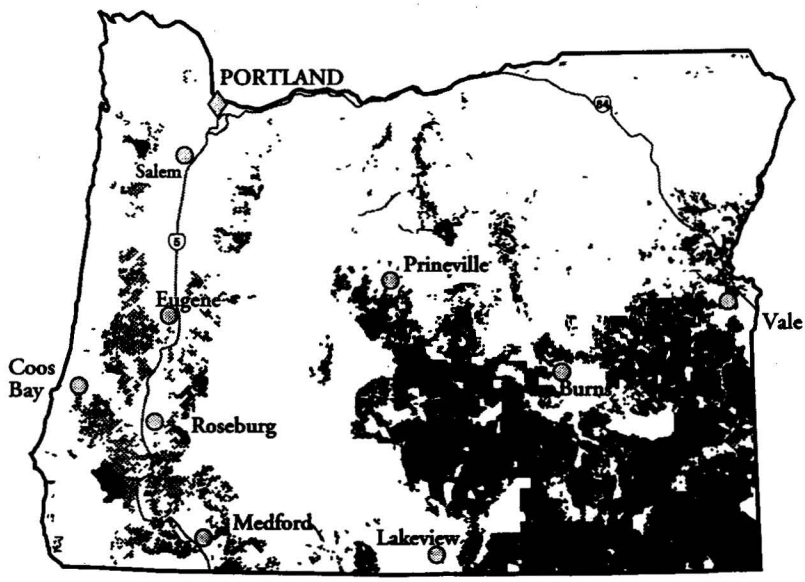
Wildlife-Associated Recreation	$21,655,000
Hunting Trips	$84,197,000

[3] Recreational data and the value of selected recreation visits to BLM-managed lands are according to administrative state. Therefore, both these categories include data for 2,400 acres of BLM-managed lands in Oklahoma and Texas, as well as for BLM-managed land in New Mexico.

M I S S I O N

The Bureau of Land Management sustains the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

OREGON



BLM-Managed Lands
BLM State Office Locations
BLM District Office Locations
Major Highways

Surface Acreage of Land Managed by the Bureau of Land Management: 15.72 million acres.

The Oregon State Office also has jurisdiction over BLM-managed land in the State of Washington.

Oregon State Office
1515 South West 5th Avenue
P.O. Box 2965
Portland, OR 97208-2965

BLM-managed lands are located in eastern and western Oregon (15.72 million acres). Unlike other States, these lands fall into three categories:

(i) Public Domain Lands—There are approximately 13.4 million acres of public domain land in Oregon, which are located primarily in the eastern portion of the state.

(ii) Oregon and California (O&C) Lands—In 1866, Congress deeded these lands to the Oregon & California Railroad Company as an incentive to promote completion of the Portland to San Francisco railroad. The land grant was conditional on selling land to settlers, which the company failed to do. This, coupled with the company's bankruptcy, prompted Congress to take back title to more than 2 million acres. These lands lie in a checkerboard pattern through 18 western Oregon counties.

(iii) Coos Bay Wagon Road (CBWR) Lands—These are also grant lands that reverted to the federal government. They total over 74,000 acres and, like the O&C lands, are located in the western part of the state.

Oregon's western public lands are heavily forested, and include such species as Douglas-fir, western red cedar, western hemlock, and white fir. In the eastern portion of the State, public lands are characterized by a basin and range topography, and shrub-grass steppe plant communities.

The O&C lands support a variety of natural resources, including young forest and old growth forest, and a multimillion-dollar floral and mushroom gathering industry. These lands provide critical habitat for numerous plant and animal species, including anadromous fish. There are over 100 developed recreation sites attracting more than 1 million visitors annually. Six Wild and Scenic Rivers and Wilderness Areas offer additional recreational opportunities.

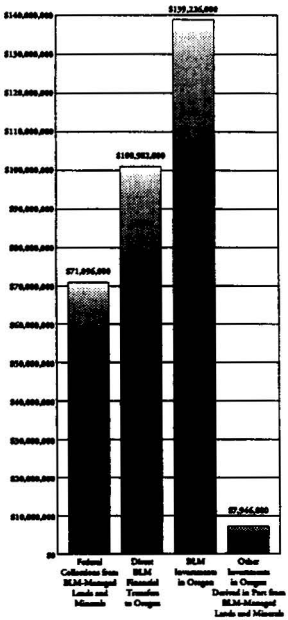
BLM-Oregon is participating in a number of collaborative initiatives to promote the health of the land. Three years ago, the Governor of Oregon challenged County Commissioners to improve water quality and fisheries in the State. The Douglas County Resources Department brought together groups interested in the Umpqua River. BLM-Oregon is an active participant in this informal working group, taking part in monthly meetings. The group coordinates stream survey and restoration, identifies problem areas, and funds restoration projects. Restoration work has included planting trees on both public and private land, and placing instream structures. Over the three years that the group has been meeting, over 1,000 miles of stream have been surveyed. Similar watershed restoration efforts occur throughout Oregon.

Additionally, BLM-Oregon is using ecosystem-based strategies to manage the land and its resources on a sustainable resource basis. For example, the President's Forest Plan not only ended a 3-year injunction on timber sales in the Pacific Northwest, but also allowed BLM to adopt more flexible land management practices. As part of the President's Forest Plan, BLM has initiated the Jobs in the Woods Program, which has enabled BLM to hire and train displaced timber workers, and provide assistance to communities. In FY95, BLM will award 163 contracts under this program.

By comparison, approximately 3 million acres of land in Oregon are owned by the State and managed to generate revenue for the school system. The Oregon Division of State Lands manages these lands for multiple use, but is required to maximize profits in order to fulfill its trust responsibility to the State.

The receipts and payments identified below represent the totals for all BLM-managed lands in Oregon, including O&C lands, CBWR lands, and public domain lands. Special payments to CBWR and O&C counties are required by law for fiscal years 1994 through 2003. During that time, the special payments are to be funded from the general fund of Treasury, rather than from distribution of BLM receipts. The special payment amounts to O&C counties for fiscal year 1994 exceed BLM O&C receipts by $18.5 million.

Federal Collections from BLM-Managed Lands and Minerals:	
Grazing Fees	1,524,000
Recreation & Use Fees	119,000
Miscellaneous Receipts	291,000
Sale of Land and Materials	3,969,000
O&C Land Grant Fund	60,075,000
CBWR Grant Fund	4,062,000
Mining Claim Holding Fees	943,000
Mineral Royalties, Rents, & Bonuses	113,000
TOTAL	$71,096,000
Direct BLM Financial Transfers to Oregon:	
Payment in Lieu of Taxes (PILT)	2,872,000
Grazing Fees	225,000
O&C Grant Lands[1]	97,642,000
Proceeds of Sales	187,000
Mineral Royalties, Rents, & Bonuses	56,000
TOTAL	$100,982,000
BLM Investments in Oregon:	
Management of Lands and Resources	26,152,000
Land Acquisition	3,023,000
Construction & Access	1,071,000
CBWR Grant Lands	625,000
Management of O&C Lands[2]	85,263,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	8,236,000
Firefighting and Rehabilitation	13,126,000
Service Charges, Deposits, & Forfeitures	1,730,000
TOTAL	$139,226,000



[1] The figure here comprises $19,055,797 for the 12th month of FY95, which was paid in FY96, plus $78,586,461 for the 12 months of FY94.

[2] O&C lands also benefit from other management costs identified in this section, e.g. Fire Management/ Firefighting.

Other Investments in Oregon Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund $7,946,000

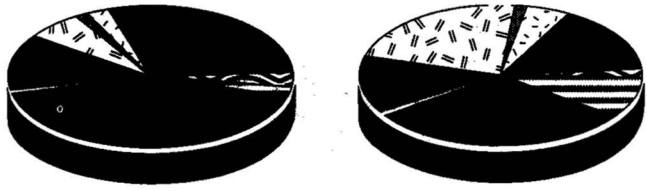
Allocation of Oregon Share of Federal Mineral Receipt Revenues:

All mineral receipts go the school fund.

FY94 Recreational Activity on BLM-Managed Land:[3]

Activity	Participants	Hours
Camping	3,044,000	38,748,000
Fishing	2,124,000	10,840,000
Hunting	1,826,000	12,843,000
Photography, Picnicking, etc.	6,864,000	12,604,000
Swimming and Water Skiing	1,241,000	2,099,000
Boating	2,779,000	17,561,000
Motorized Travel	2,798,000	10,086,000
Winter Sports	314,000	755,000
Hiking, Backpacking, Bicycling, etc.	2,632,000	10,990,000

TOTAL OREGON VISITS 9,098,000



Participants **Total Visitor Hours 116,526,000**

Estimated Economic Value to Oregon of Selected Recreation Visits to BLM-Managed Land:

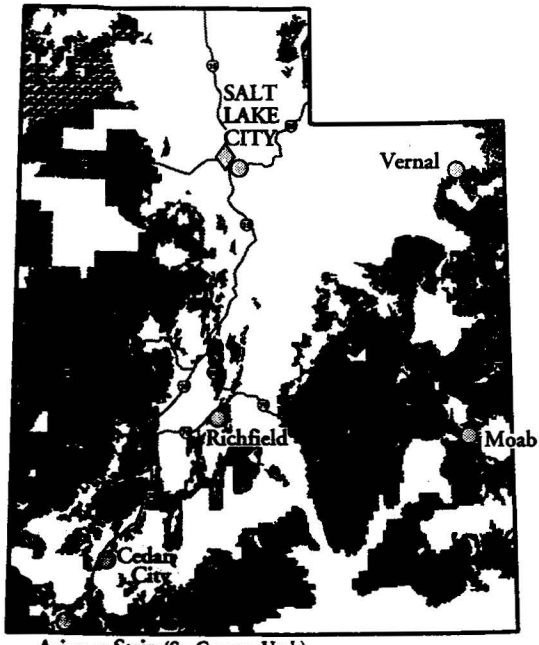
Wildlife-Associated Recreation	$69,947,000
Hunting Trips	$247,103,000

[3] Recreational data and the value of selected recreation visits to BLM-managed lands is according to administrative state. Therefore, both these categories include data for the 352,000 acres of BLM-managed lands in Washington, as well as for BLM-managed land in Oregon.

M I S S I O N

The Bureau of Land Management sustains the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

U T A H



Arizona Strip (St. George, Utah)

BLM-Managed Lands
BLM State Office Locations
BLM District Office Locations
Major Highways

Surface Acreage of Land
Managed by the
Bureau of Land Management:
22.15 million acres.

Utah State Office
324 South State Street, Suite 301
P.O. Box 45155
Salt Lake City, UT 84145-0155

U T A H

Public lands make up 42 percent of Utah (22.15 million acres), and are distributed across the length and breadth of the State. However, the greatest concentration of BLM-managed lands is in western and southeastern Utah. The terrain is varied, ranging from rolling uplands in the Uintah Basin to sprawling lowlands in the Mojave Desert. There are remote mountain ranges in the Great Basin and spectacular red rock canyon country on the Colorado Plateau.

Coal, oil, and gas produced on BLM-managed lands are major contributors to Utah's energy industry. BLM-managed lands also offer a variety of world class archaeological and historical sites, including the Anasazi complex at Grand Gulch, rock art at Nine Mile Canyon, and a 165-mile segment of the Pony Express Trail.

Utah's public lands provide sanctuary to an unusually large number of threatened and endangered plant species--20 listed species and over 100 candidate plants. BLM-managed lands offer unparalleled recreational opportunities, including mountain biking at the Slickrock Bike Trail, speed trials at the Bonneville Salt Flats, desert backpacking in the Canyons of the Escalante, and whitewater rafting on the Green, San Juan, and Colorado Rivers.

BLM-Utah has completed Memoranda of Understanding with State or County governments to provide several services, including land-use planning, law enforcement, wildfire control, and road maintenance. BLM has entered also into a number of cooperative partnerships to improve the health of Utah's public lands. The Canyon Country Partnership was created to coordinate the planning and management action in the Canyon Country of southeastern Utah. The coalition, consisting of Federal and State land management agencies, County governments, and private citizens, serves as a model on how to put landscape-based management into practice.

In another collaborative agreement, BLM-Utah helped organize the Southern Utah Planning Authorities Council to promote understanding and cooperation among Federal, State, and local governments in southwestern Utah. The effort was prompted by rapid population growth in Washington County, where a pocket of private land is surrounded largely by public lands with high profile, sensitive resource values.

At the Slickrock Bike Trial, BLM and Grand County officials have crafted an innovative agreement to permit joint management of the trail and the surrounding Sand Flats Recreation Area. Under the agreement, the use fee is returned directly to the site. Young people enrolled in the Americorp Program provide on-site management.

Following statehood, the Federal government transferred approximately 7.1 million acres of school trust land and other

lands to the State of Utah. Since then, about half of these lands have been sold. Today, the State of Utah's School and Institutional Trust Lands Administration oversees about 3.5 million acres of trust lands[1] under a mandate to maximize revenues for Utah schools. Currently, the public is permitted free access to these lands for hunting, but the Trust Administration's general policy is to allow for compensated uses only.

Other State lands are administered by the State's Department of Natural Resources. The Division of Wildlife Resources manages 400,000 acres of waterfowl, upland, and big game habitat, which are open to the public for hunting and fishing. The State also operates a 45-unit State park system covering about 100,000 acres of land. Additionally, the Division of Sovereign Lands and Forestry manages several thousand acres of multiple-use lands in the southeastern part of the State.

Federal Collections from BLM-Managed Lands and Minerals

Grazing Fees	1,589,000
Recreation & Use Fees	546,000
Miscellaneous receipts	490,000
Sale of Land and Materials	688,000
Mining Claim Holding Fees	1,381,000
Mineral Royalties, Rents & Bonuses	66,457,000
TOTAL	$71,151,000

Direct BLM Financial Transfers to Utah:

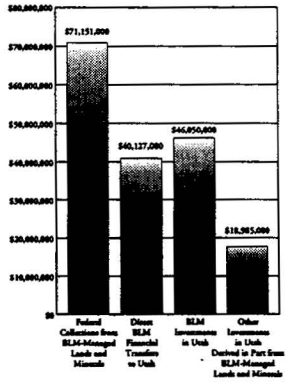
Payment in Lieu of Taxes (PILT)	8,829,000
Grazing Fees	199,000
Proceeds of Sales	25,000
Mineral Royalties, Rents, & Bonuses	31,074,000
TOTAL	$40,127,000

BLM Investments in Utah:

Management of Lands and Resources	37,083,000
Construction & Access	1,624,000
Range Improvements	802,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	1,760,000
Firefighting and Rehabilitation	4,146,000
Service Charges, Deposits, & Forfeitures	635,000
TOTAL	$46,050,000

Other Investments in Utah Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$18,985,000



[1] The state manages an additional 1 million acres of subsurface mineral rights to generate revenue for the school trust fund.

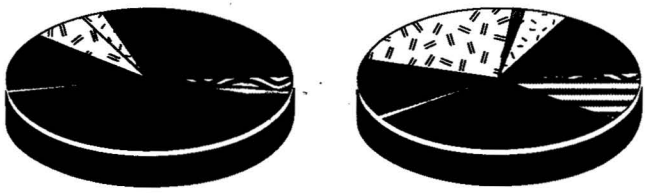
Allocation of Utah Share of Federal Mineral Receipt Revenues:

Permanent Impact Board	32.5%	Utah Geologic Survey	2.25%
Higher Education	33.5%	Water Research	2.25%
State Transportation	25%	PLT	2.25%
Board of Education	2.25%		

FY94 Recreational Activity on BLM-Managed Land:

Activity	Participants	Hours
Camping	557,000	8,450,000
Fishing	130,000	488,000
Hunting	211,000	1,937,000
Photography, Picnicking, etc.	2,490,000	5,844,000
Swimming & Water Skiing	286,000	802,000
Boating	183,000	3,474,000
Motorized Travel	3,593,000	11,493,000
Winter Sports	58,000	330,000
Hiking, Backpacking, Bicycling, etc.	1,111,000	4,973,000

TOTAL UTAH VISITS 7,747,000



Participants

Total Visitor Hours 37,791,000

Estimated Economic Value to Utah of Selected Recreation Visits to BLM-Managed Land:

Wildlife-Associated Recreation	$54,207,000
Hunting Trips	$294,001,000

M I S S I O N

The Bureau of Land Management sustains the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

WASHINGTON

BLM-Managed Lands
BLM State Office Locations
BLM District Office Locations
Major Highways

Surface Acreage of Land Managed by the Bureau of Land Management: 351,750 million acres.

The Oregon State Office also has jurisdiction over BLM-managed land in the State of Washington.

Oregon State Office
1515 South West 5th Avenue
P.O. Box 2965
Portland, OR 97208-2965

BLM-managed lands (over 350,000 acres) are concentrated east of the Cascade Crest in the central Columbia Basin and in the highlands of northeastern Washington along the Canadian border. In addition, public lands are found in the northern Puget Sound, north of Seattle in San Juan County. A full range of habitats is found on Washington's public land, including maritime lowlands, sagebrush, riparian zones, coniferous forests, and subalpine areas. BLM-managed lands in Washington are under the jurisdiction of the BLM State Office in Oregon.

Washington's public lands include one Wilderness Area, one Wilderness Study Area, 15 Areas of Critical Environmental Concern, and numerous areas managed principally for their recreation, riparian, and wildlife values. These include the recreation sites in Yakima River Canyon, the Juniper Dunes Wilderness and nearby off-highway vehicle area outside the Tri-Cities, and the Channeled Scablands riparian areas just west of Spokane.

Mining and grazing also occur on BLM-managed land in Washington; there are approximately 350 grazing leases and more than 2,700 mining claims. BLM administers mining and reclamation activities on more than ten Indian reservations, which provide some $200,000 annually in royalties to the tribes. Current BLM initiatives include the review and approval of major mining operations, reclamation of uranium mines, a land exchange in the Hanford Reservation, and habitat restoration projects in central Washington.

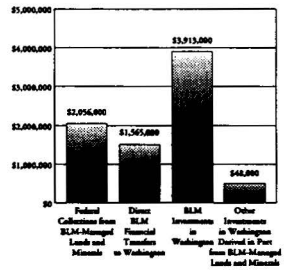
BLM-Washington has a long history of collaborative working relationships with State and local governments, as well as with private organizations. The agency manages more than 30,000 acres of public lands cooperatively with the Washington Department of Wildlife. Agreements with the State Department of Natural Resources and Ecology provide for joint oversight of mining and reclamation activities. Many private groups contribute tens of thousands of dollars for habitat restoration, construction, inventory monitoring initiatives, and overall volunteer assistance.

By contrast, the State of Washington's Department of Natural Resources manages about 2.9 million acres of State lands, primarily to generate revenue for the schools. The Department also manages these lands for recreation and

wildlife protection, but only when these goals are compatible with the fiduciary responsibility to the State. State parks and wildlife agencies manage an additional 800,000 acres for their recreational and habitat values.

Federal Collections from BLM-Managed Lands and Minerals:

Grazing Fees	54,000
Miscellaneous Receipts	409,000
Sale of Land and Materials	879,000
Mineral Royalties, Rents, & Bonuses	714,000
TOTAL	**$2,056,000**



Direct BLM Financial Transfers to Washington:

Payment in Lieu of Taxes (PILT)	1,383,000
Grazing Fees	27,000
Proceeds of Sales	32,000
Mineral Royalties, Rents, & Bonuses	123,000
TOTAL	**$1,565,000**

BLM Investments in Washington:

Management of Lands and Resources	2,401,000
Land Acquisition	1,283,000
Construction & Access	24,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	182,000
Firefighting and Rehabilitation	23,000
TOTAL	**$3,913,000**

Other Investments in Washington Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$48,000

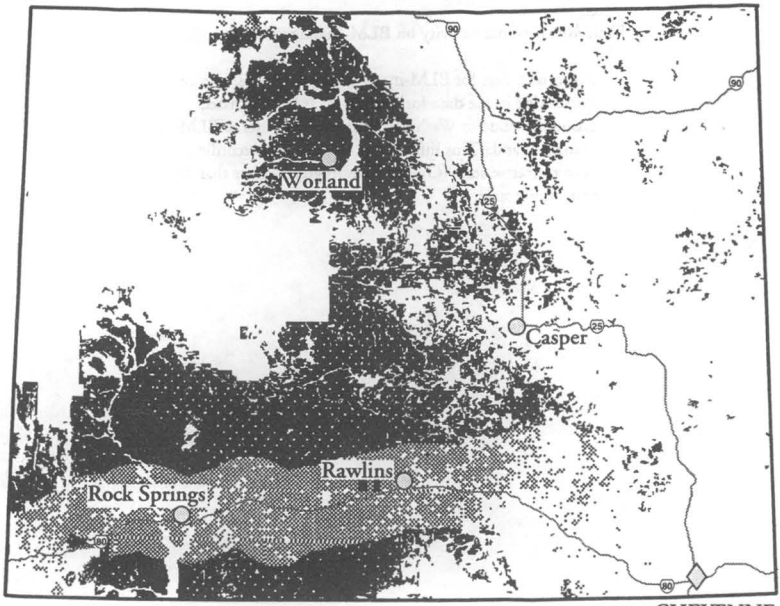
Allocation of Washington Share of Federal Mineral Receipt Revenues:

Mineral receipts are invested, and the interest used to fund the school system.

FY94 Recreational Activity on BLM-Managed Land:

Recreation data for BLM-managed lands in Washington is included in the data for Oregon, as is the estimated economic value to Washington of selected visits to BLM-managed land. This information is collected according to administrative state (Oregon/Washington) rather than by geographic state.

WYOMING



BLM-Managed Lands
BLM State Office Locations
BLM District Office Locations
Major Highways

Surface Acreage of Land Managed by the Bureau of Land Management: 18.4 million acres.

The Wyoming State Office also has jurisdiction over BLM-managed land in Kansas and Nebraska.

Wyoming State Office
2515 Warren Avenue
P.O. Box 1828
Cheyenne, WY 82003

BLM-managed lands (18.4 million acres) are concentrated in the western two-thirds of Wyoming, but there are small, scattered parcels throughout the State. They extend primarily across high desert plains, but also include other terrain, such as sand dunes, badlands, and rugged mountains.

A number of significant resources are found on Wyoming's public lands. The southwest portion of the State has attracted considerable oil and gas development where industry predicts there will be between 6,000 and 11,000 new wells in this region by the year 2015. Wyoming is the leading coal producer in the country, and Federal coal from the Powder River Basin is used to generate electricity in approximately 35 states. Some 90 percent of the trona in the U.S. is extracted from checkerboard sections of Federal and private minerals in the Green River Basin.

The grazing permit encompassing the most acreage in the country is located in Wyoming near Rock Springs. It is held by the Rock Springs Grazing Association for 103,000 animal unit months. The overall allotment includes more than 2 million acres of public, railroad, State, and private land.

Public lands offer blue ribbon trout fishing and world class hunting, as well as other recreational activities, such as camping, caving, and hiking. Some of the nation's most significant paleontological finds have occurred on Wyoming's public lands, including the first fully articulated allosaurus, now in the Museum of the Rockies in Bozeman, MT. Visitors can also enjoy BLM-managed historic sites, including Native American petroglyphs, emigrant etchings, as well as portions of trails used by settlers moving westward. Original wagon ruts along National Historic Trails, such as the Oregon Trail, can still be seen.

BLM-Wyoming has entered into a number of collaborative agreements to improve land management in the Atate. For example, the half-million-acre Sun Ranch Coordinated Resource Management Strategy extends across State, Federal and private land in central Wyoming. BLM has cooperated with several government agencies, interest groups, and land managers to improve range conditions, heal creek banks, and enhance water quality in the area. They have also worked together successfully to restore the region's wetland vegetation and waterfowl nesting habitat.

Another important cooperative initiative has been the Memorandum of Understanding reached with the Wyoming Game and Fish Department. By agreeing to review jointly lands identified for oil and gas leasing, BLM has been able to

reduce the number of disputes, including litigation, surrounding leasing.

By contrast, the State of Wyoming owns 3.6 million acres of land, not including parks or wildlife areas, which it manages to generate revenue for the school system. The State is required to maximize income from these lands. Somewhat like BLM-managed lands, the State makes most of its land accessible to the public for hunting and other recreational uses.

Federal Collections from BLM-Managed Lands and Minerals:

Grazing Fees	2,805,000
Recreation & Use Fees	50,000
Miscellaneous Receipts	1,122,000
Sale of Land and Materials	1,201,000
Mining Claim Holding Fees	1,342,000
Mineral Royalties, Rents, & Bonuses	501,638,000
TOTAL	**$508,158,000**

Direct BLM Financial Transfers to Wyoming:

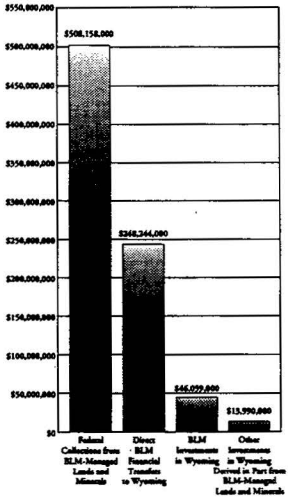
Payment in Lieu of Taxes (PILT)	5,442,000
Grazing Fees	695,000
Proceeds of Sales	41,000
Mineral Royalties, Rents, & Bonuses	242,066,000
TOTAL	**$248,244,000**

BLM Investments in Wyoming:

Management of Lands and Resources	39,908,000
Land Acquisition	96,000
Range Improvements	2,305,000
Construction & Access	469,000
Fire Management/Firefighting	
Prescribed Fire/Presuppression	1,254,000
Firefighting and Rehabilitation	1,551,000
Service Charges, Deposits, & Forfeitures	476,000
TOTAL	**$46,059,000**

Other Investments in Wyoming Derived in Part from BLM-Managed Lands and Minerals:

Reclamation Fund	$13,990,000



Allocation of Wyoming Share of Federal Mineral Receipt Revenues:

Wyoming Public Schools	45%	University of Wyoming	9.4%
General Highway Fund	26.25%	Highway Fund	2.25%
Public School Construction	10%		

FY94 Recreational Activity on BLM-Managed Land:[1]

Activity	Participants	Hours
Camping	115,000	3,095,000
Fishing	147,000	810,000
Hunting	547,000	8,035,000
Photography, Picnicking, etc.	593,000	1,238,000
Swimming & Water Skiing (does not appear on charts)	2,000	3,000
Boating	121,000	167,000
Motorized Travel	549,000	2,551,000
Winter Sports	32,000	112,000
Hiking, Backpacking, Bicycling, etc.	175,000	1,125,000

TOTAL WYOMING VISITS 1,795,000

Participants

Total Visitor Hours 17,136,000

Estimated Economic Value to Wyoming of Selected Recreation Visits to BLM-Managed Land:

Wildlife-Associated Recreation	$50,643,000
Hunting Trips	$111,182,000

[1] Recreational data and the value of selected recreation visits on BLM-managed lands is according to administrative state. Therefore, both these categories include data for 7,500 acres of BLM-managed lands in Kansas and Nebraska, as well as for BLM-managed land in Wyoming.

M I S S I O N

The Bureau of Land Management sustains the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

Arizona
State Land Department
1616 WEST ADAMS
PHOENIX, ARIZONA 85007

FIFE SYMINGTON
GOVERNOR

M.J. HASSELL
STATE LAND COMMISSIONER

July 28, 1995

Dear Mr. Chairman:

We appreciate the opportunity to give you our views on H.R. 2032 which would transfer lands administered by the Bureau of Land Management (BLM) to the state in which the lands are located.

We express our regret that the short notice on these important hearings precluded our ability to appear before the committee in person. We hope these written comments will assist you in some small way to complete the important task you have undertaken.

As you know, Governor Symington is a strong supporter of streamlining land and resource management processes to make them more efficient and effective to the benefit of the citizens, now and in the long run. Governor Symington has made proposals to the Departments of Agriculture and Interior to accomplish some of the objectives embodied in H.R. 2032.

As we understand the draft of the bill, it would transfer all rights, title, and interest on BLM lands to the states subject to valid existing rights and interest, including fee simple interest, where both the surface and mineral estates are owned by the United States, and would include federally owed mineral rights under lands owned by others. It would also include any federally owned water rights related to these lands. Mineral interests underlying Indian Reservation lands would be excluded. In each state where BLM lands are owned, the federal government would have two years to offer the federal owned BLM lands to the state Governor.

As we understand it, the state could not pick and choose which lands to accept or reject; it would be an all or none proposition. Also, as we understand it, the governor of the state would have an indefinite period of time to accept the offer which would become effective ten years after the governor's acceptance.

Section 2, dealing with leases, permits, rights-of-way, and unpatented mining claims, would require that all federal existing leases and permits on transferred lands would remain in effect and would be managed under the existing terms and conditions. After the expiration of the lease or permit, they would be held according to the laws and rules of each state. Mining claims would be entitled to a patent if prior to transfer to the state, an application had been filed with the Secretary of Interior. Otherwise, mining claims would be managed under the laws of the state. Right-of-way agreements granted by the United States would be accepted and respected by the state.

Section 3, dealing with wilderness areas, military uses, and other administrative obligations requires the state to manage wilderness and military use areas as they were managed under federal control. Military withdrawal lands would be respected by the state until the withdrawal term is expired, at which time the Governor could negotiate for continued use by the military.

Arizona, including the federal land within the state, does not have high value timber or energy minerals, unfortunately. This means that assumption of the federal lands and the management obligations would fall on Arizona without sufficient opportunity to offset costs. This is particularly true with the exceptions and reservations that would condition the transfer of land to the state. For this reason, Governor Symington's proposals in the past have been more along the lines of the state assuming the on the ground management responsibilities in accordance with federal laws and management requirement.

Governor Symington has proposed that state government assume more responsibility in the management of Federal lands in Arizona. By placing the management structure closer to the local residents that live here, we could manage land and resources at a higher standard at less cost than is now being experienced by the federal government and our taxpayers.

H.R. 2032 leaves some fundamental questions unanswered that are of concern to us. Who would be responsible for mitigation of sites that were made hazardous under federal control (i.e. abandoned mines, hazardous waste sites on non-military lands)? Who will be liable for suits resulting from past actions of the federal government (i.e. title disputes, contract disputes)? Would the Endangered Species Act apply to these transferred lands in the same manner they now apply to federal lands.

Would it be possible to insert in some part of the proposed legislation the option of state management of these low monetary return lands and, at the same time, have some level of federal financial support? This may be appropriate since many of the conditions and reservations of the land transfer would dictate that the lands be managed for the benefit of all United States' citizens, and not just the state's citizens. Wilderness areas and military reservations are two examples where lands are serving a national purpose.

The concerns we have do not diminish our desire to manage these lands locally. It is difficult though to see where monetary returns from these economically low value lands could offset management costs in our state if all costs of management and liability become the responsibility of the state. It is clear to us that the timbered lands of the northwest and the oil, gas and energy mineral resources of some states would make this legislation possible and perhaps highly desirable.

We request that the Committee consider making H.R. 2032 more flexible to allow the land transfers to be tailored to the individual states. Arizona, with its vast tracts of military reservations, wilderness areas, and low productivity desert would have a difficult time assuming the entire management cost of the BLM lands and the encumbrances upon them.

Thank you for the opportunity to comment on this bold and timely legislative proposal. Governor Symington and the Arizona State Land Department look forward to working with your staff in any way possible to make this effort work to the benefit of all states.

Sincerely,

J. Dennis Wells

for M. Jean Hassell
Arizona State Land Commissioner

MJH/mb

National Congress of American Indians
2010 Massachusetts Avenue, N.W., 2nd Floor, Washington, D.C. 20036 (202) 466-7767 Fax (202) 466-7797

1 August 1995

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Mandan Hidatsa

Honorable James V. Hansen, Chairman
Subcommittee on National Parks Forests, and Lands
Washington, D.C. 20515

Re: Transfer of BLM-Administered Lands to the States

Dear Chairman Hansen:

On behalf of the National Congress of American Indians (NCAI), the oldest, largest, and most representative Tribal organization in the nation, I am writing regarding H.R. 2032. Our initial analysis of this legislation suggests that the transfer of lands currently administered by the Bureau of Land Management to the States in which the lands are located could pose real problems for Indian Tribes. As you know, our Constitution makes Indian affairs a Federal prerogative, largely devoid of State interference, but H.R. 2032 intersperses State authority into the Tribal-Federal relationship. Specifically, the bill ignores the possible transfer of Tribal aboriginal lands back to their original, Tribal owners. In addition, H.R. 2032 may severely impact Tribal interests by transferring land management authority to the States, and in the process create serious Tribal-State conflicts.

Under the provisions of this bill, States would be granted the opportunity to reap profits from the management of Federal land, and perhaps more disturbing, would be given the authority to enforce Federal laws on these lands. Such grants of authority are in conflict with the Tribal interest. Under this bill, States are mandated to dispose of the lands, or to manage them to maximize profit. In either event it is unclear how this process serves Indian Tribes. We look forward to your response. If you have questions please do not hesitate to call me or Paul Moorehead of our staff at 466-7767.

Sincerely,

JoAnn K. Chase
Executive Director

State of Utah
DEPARTMENT OF NATURAL RESOURCES

Michael O. Leavitt
Governor
Ted Stewart
Executive Director

1636 West North Temple, Suite 316
Salt Lake City, UT 84116-3193
801-538-7200
801-538-7315 (Fax)
801-538-7458 (TDD)

July 31, 1995

Congressman James V. Hansen
2466 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Hansen:

Governor Leavitt apologizes that he is not able to attend your hearing to consider legislation to transfer Bureau of Land Management Lands to the western states. Governor Leavitt is supportive of the concept of the transfer of BLM lands to states with a major caveat, that the transfer take place without strings attached. If these lands were transferred to the states subject to all existing law, in which case the states simply become surrogates for the federal government in administration of all of the current programs and subject to all of the current regulations, the state of Utah would gain nothing by such transfer. The transfer should take place with the minimal amount of strings attached.

As one of the leaders nationally to reestablish the balance between the states and the federal government, Governor Leavitt understands that a balance can never be achieved in the western states as long as the federal government continues to have jurisdiction over 70 percent of the land base within those states.

Utahns love the public lands. We are dependent upon them for grazing, water, oil and gas and mineral extraction, tourism, recreation, and solitude. Not only do we love these lands, but we are good stewards of the lands. During Governor Leavitt's administration, he has demonstrated his willingness to exert stewardship over the land, water, and wildlife in an aggressive fashion. Some examples include the creation of an 82 mile, in-stream flow in the San Rafael river for wildlife purposes. The state of Utah has been a supportive partner in the development of the Desert Tortoise Habitat Conservation Plan in Washington County and in the recovery plan for the endangered fish in the Colorado River. In addition, the state of Utah runs one of the finest state park systems in the nation and is actively pursuing the development of recreational opportunities for its whole host of citizens.

The state of Utah has been a primacy state in the area of regulation of oil, gas and mining for almost two decades and runs one of the finest programs in the United States. In particular, the state has been very aggressive in requiring the reclamation of oil and gas drill sites and mines as they are retired, and has also pursued the reclamation of long abandoned mines throughout the state of Utah. The state of Utah has tremendous success stories in the management of its wildlife and fisheries. In recent years the state has initiated efforts to see to the wise use of our limited water resources and has become a pioneer in encouraging conservation of our water supplies. Other states have similar examples. In summary, it would be erroneous to believe that BLM management is a better steward of the lands than would be the various states, including the state of Utah.

It must be noted that the citizens of the state of Utah are the primary force in requiring a balanced approach to the stewardship of our land, water and wildlife. As with other states, the citizens of the state of Utah would insist that ownership of BLM lands by the state would result in a continuation of that balanced approach and not a diminution in the stewardship.

It has been asserted that if the Bureau of Land Management lands were transferred to the state of Utah that there would be an immediate privatization of such lands. That fear is unjustified. Not only would the citizens of the state of Utah protest such a step, because of its impact on their access to recreation opportunities, oil and gas and mining activities and such, but the fact is we have not found an interest on the part of ranchers, miners, oil and gas companies or developers to purchase the Bureau of Land Management lands for their own private purposes.

Governor Leavitt appreciates this opportunity to express support for your legislation.

Very truly yours,

Ted Stewart

Ted Stewart
Executive Director

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ISBN 0-16-047771-9