

**STATEMENT OF LARRY FINFER
ASSISTANT DIRECTOR, BUREAU OF LAND MANAGEMENT
ON
S. 1129, THE FEDERAL LAND TRANSACTION FACILITATION ACT
BEFORE THE
SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT**

JULY 21, 1999

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before you today to testify on S. 1129, the Federal Land Transaction Facilitation Act. The Bureau of Land Management (BLM) strongly supports the objectives of this legislation, but recommends some amendments to assure effective implementation and to help meet management goals.

Let me provide background on some of the challenges confronting BLM in public land management and how S. 1129 may assist our mission. In many parts of the West, the legacy of settlement left scattered and checkerboard land ownership patterns. These land patterns were inherited by BLM as a result of the public land policies pursued prior to the Bureau's founding in 1946. The growing demands to accommodate multiple uses and users of the public lands continues to put pressures on federal land managers. During the last 30 years, BLM has attempted to improve management of the public lands by consolidating land ownership through the land use planning process. We have done so through disposals, exchanges, purchases, and negotiating agreements with other land management agencies.

The Southern Nevada Public Land Management Act of 1998 (PL 105-263), has helped to refine and improve our land sales process. This law provides for the sale of public land in the Las Vegas valley and dedicates most receipts to a special fund for acquisition of environmentally sensitive lands within Nevada. Last year, the Administration began working with Congress on the key components of legislation, similar to the bill before us today, in an effort to further streamline land sales.

In considering legislative solutions, it is essential to maintain the existing Federal Land Policy and Management Act (FLPMA) criteria for determining lands suitable for disposal and to identify these lands through the land use planning process. We would strongly oppose any efforts to establish a yearly quota or acreage goal for disposal. We support dedicating receipts made available for acquisition to a special fund that is not subject to appropriation. This bill is consistent with these principles.

Senator Domenici's bill, S.1129 would facilitate the acquisition of private lands within Federal land management units, provide for the disposal of surplus public land, and direct the Secretary of the Interior to establish priorities for acquisition. In addition, proceeds generated from the sale of surplus lands would be available to acquire private lands from willing sellers. We support these basic provisions, but recommend some amendments to assure effective implementation and

help meet management goals. If amended as recommended, this bill could provide an extremely valuable tool that would provide broad benefits to land managers and to the public.

One of our most serious concerns is the provision placing an emphasis on acquisition of inholdings. Although acquisition of inholdings is a legitimate and desirable goal, we do not believe this should always be the first priority. We also believe the intent of the provision related to the "exceptional resource lands" is unclear. Our goal is to provide a mechanism to dispose of dispersed, unmanageable public lands scattered across the west, while returning and acquiring those lands that will benefit the public and meet the BLM mission.

Let me elaborate on our recommended bill changes.

Section 3 (3) Inholding. This special designation definition should be expanded to include "inholdings" within large tracts of public land administered by the BLM that do not have special designation. This might be done by identifying lands within BLM resource management plan boundaries as federally designated areas. For example, local communities throughout the West are looking to Federal lands to be used in concert with local and regional habitat conservation planning. In San Diego County, for example, by consolidating a large block of Federal lands -- with the support of local officials -- the county is able to approve continued economic development on other private lands. The same efforts are occurring in Clark County, Nevada, the Pacific Northwest, and other areas in the California Desert. This legislation should facilitate these collaborative efforts, much of it involving BLM administered lands.

Section 4 (a)(1) In General and Section 6 (c) (3) Priority: The identification procedure for inholdings is unclear and could be a costly and cumbersome undertaking. The primary focus of land acquisition should continue to be on the importance of resource values to be acquired by the public and not the date that a specific "inholding" may have been created. The coordination among agencies to identify all "inholdings," as defined, and the process for determining if the owner is a willing seller would be immense. The task would be difficult to manage given that many sellers will change their minds more than once over the life of the program. Accordingly, the information could be outdated as soon as it is gathered.

Section 4 (a)(2) In General: It could be difficult to establish the date on which the land became an "inholding" and the date the "willing seller" acquired the property. The research to document thousands of individual private parcels that qualify under this bill will be arduous. Each seller would be required to provide documentation to justify the purchase date, and many of them would not willingly provide this information. The BLM recommends instead that a public forum be conducted to determine interest in this program. Each interested owner could request placement on a list, however, the individual agencies would continue to decide on the highest priority areas for acquisition.

Section 6 (c) Federal Land Disposal Account: For the reasons discussed above concerning inholdings, we believe that dedicating 80% of the funds available for acquisition to "inholdings" is excessive and could limit one of the potentially valuable uses of the legislation. In addition, although we agree that acquiring exceptional resource value land is desirable, the inclusion of

"adjacent to federally designated areas" may not be the most effective means to ensure protection of exceptionally sensitive lands.

Section 6 (c)(2)(C) Administrative and Other Expenses: Based on our experience with the Southern Nevada Public Land Management Act, we suggest the inclusion of this statement: "The reimbursement of costs incurred by BLM in implementation of this Act shall include not only the direct costs for sales or exchanges but also other BLM administrative costs. Other administrative costs include those expenditures for establishing and administering the Federal Lands Disposal Account under the Act, developing implementation procedures, and consultation with legal counsel." We believe this would significantly facilitate implementation of the bill.

Section 6 (e) Investment: The authority for principal amounts deposited into the account to earn interest would provide additional, undetermined amounts to the BLM outside the normal budget and appropriations process. Accordingly, we recommend that the committee delete this provision.

We believe that we can reach agreement on legislation that will accomplish the overall goals of this bill. We look forward to working closely with the Committee and Senator Domenici on a legislative solution to refine the bill language to accomplish our common goals.

That concludes my testimony. I would be glad to respond to any questions.

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