

**Statement of
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**Senate Energy & Natural Resources
Subcommittee on Public Lands, Forests, and Mining
S. 1437, Hermiston Agricultural Research and Extension Center Land Conveyance
July 30, 2014**

Thank you for inviting the Department of the Interior to testify on S. 1437, which provides for the release of the interests of the United States in lands used for the Hermiston Agricultural Research and Extension Center in Umatilla County, Oregon. While we cannot support the bill as written, the Bureau of Land Management (BLM) could support S. 1437 if amended to ensure the payment of fair market value for the conveyance of reversionary and reserved mineral interest in these parcels to the State of Oregon, consistent with previous legislative proposals. The Department of the Interior defers to the Department of Agriculture with regard to a possible contingent interest of the Agricultural Research Service.

Background

The BLM regularly leases and conveys lands to local governments and nonprofit entities for a variety of public purposes. These leases and conveyances are typically accomplished under the provisions of the Recreation and Public Purposes Act (R&PP) or through direction supplied by specific Acts of Congress. Such direction allows the BLM to help states, local communities, and nonprofit organizations obtain lands at no or low cost for important public purposes, including research facilities. Because these lands are conveyed at far below market value, they include a reversionary clause requiring that lands be used for specific public purposes or revert to the Federal government. Over the years, the BLM has addressed many administrative and legislative requests to release the Federal government's reversionary interest in such lands. In these instances, the BLM has consistently required the payment of fair market value for the interest on behalf of the American taxpayer.

In 1950, Public Law 81-825 authorized the Secretaries of Agriculture and the Interior to convey certain lands in Montana, Nebraska, Nevada, New Mexico, Oregon, and Wyoming to the respective States for no consideration for the development of agricultural research and cooperative extension facilities. Among the lands included in the bill were public domain lands in Hermiston, Oregon. The 1950 law further provided that any such conveyances reserve the minerals in the land to the United States. In 1954, the BLM issued a patent (#166221) conveying approximately 450 acres to the State of Oregon for the cooperative agricultural experimental work of the Department of Agriculture and the State of Oregon, with a clause requiring that if the State of Oregon ceases to use the property for agricultural experimental work or attempts to "alienate" all or any part of the land, all right, title, and interest in the property shall revert to the United States. Subsequently, roughly 170 unused acres of the conveyance were returned to the BLM by Oregon State University.

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S. 1437 would release the reversionary as well as the reserved mineral interests of the United States in approximately 290 acres of land currently held by Oregon State University for the Hermiston Agricultural Research and Extension Center. The BLM supports the goal of conveying the reversionary interest on these parcels to the State of Oregon. As with previous such proposals, we recommend amending the legislation to ensure the payment of fair market value for the reversionary and mineral interest and to ensure that the State's acceptance of the interest is voluntary. The value of the reversionary and mineral interest would be established through an appraisal by the Department of the Interior's Office of Valuation Services. Upon receipt of the appraisal, the State could make a decision about purchasing the reversionary and mineral interest, thus acquiring the land outright. We further recommend that all costs associated with this conveyance, including the appraisal, be the responsibility of the recipient.

We also recommend that the bill be amended so that the conveyance occurs subject to valid existing rights. In addition, the BLM would like to work with the sponsor on a few technical concerns. Finally, the BLM believes that, according to the conditions of Patent No. 166221, the Agricultural Research Service (ARS) has a contingent interest in the continued use of the property for agricultural research purposes. We defer to the Department of Agriculture regarding any contingent interest that ARS may have.

Conclusion

Thank you for the opportunity to testify. We look forward to working with the sponsor and the Committee to address the land use needs of the State of Oregon.