

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNITED STATES DEPARTMENT OF THE INTERIOR
OFFICE OF VALUATION SERVICES (OVS), DIVISION OF MINERALS EVALUATION
(DME)
AND THE
BUREAU OF LAND MANAGEMENT (BLM)

I. Introduction

This Memorandum of Understanding (MOU) is hereby entered into by the United States Department of the Interior (DOI), Division of Minerals Evaluation, hereinafter referred to as the "DME"; and the Bureau of Land Management (BLM), hereinafter referred to as the "BLM." Jointly, the DME and the BLM are hereinafter referred to as the "Parties."

II. Background

The Office of Inspector General (OIG) audited the BLM mineral materials program and presented its findings and recommendations in OIG Report No.: C-IN-BLM-0002-2012. OIG Recommendation #5 was "*Develop a process for OVS to review mineral materials valuations performed by or for BLM.*"

The DME assisted the BLM with extensive revision of the Mineral Materials Fair Market Value (FMV) Evaluation Handbook (H-3630-1). The handbook describes the processes for preparing evaluation reports for determining the value of mineral materials, and the process for technical review of those reports by the BLM and DME.

The handbook has been issued in FY2017. During the initial introduction of the procedures, there will be a learning curve for all offices as personnel implement the measures and complete on-the-job training. During the initial two years, the BLM will request more independent technical reviews of reports by DME than the long-term requirements identified in the handbook. It is anticipated that the frequency of DME reviews will subsequently be reduced.

III. Purpose

The purpose of this MOU is to provide the foundation for the process whereby DME will provide independent reviews of BLM mineral material evaluation reports. Specifically:

- To establish DME duties and responsibilities in the review process,
- To provide timeline and frequency of the independent reviews, and
- To outline the BLM's responsibilities in the review process.

IV. Authorities

Nothing in this MOU alters or supersedes the authorities and responsibilities of any of the Parties on any matter under their respective jurisdictions.

- A. The authorities of the BLM to enter into this MOU include, but are not limited to: 43 Code of Federal Regulations (CFR) 3600: § 3601.3 Authority.
1. The Materials Act of July 31, 1947 (61 Stat. 681, 30 U.S.C. 601 et seq.) first authorized disposal of sand, stone, gravel and common clay through a sales contract or free use permit, and was subsequently amended. The Surface Resources Act of July 23, 1955 (69 Stat. 367) removed common varieties of sand, gravel, pumice, pumicite or cinders from the category of locatable minerals and placed them under the Materials Act as salable minerals. The Act of September 28, 1962 (76 Stat. 652) removed petrified wood from the category of locatable minerals and brought those materials under the salable system.
 2. The Federal Land Policy and Management Act of 1976, 43 U.S.C. 1701, Section 307(b) of FLPMA, 43 U.S.C. 1737, authorizes the Secretary to cooperate with others in conducting studies; to accept contributions, donations and volunteer services; and enter into contracts and cooperative agreements involving the management, protection, development, and sale of public lands.
- B. The authorities of the DME to enter into this MOU include, but are not limited to:
1. 602 Department Manual (DM) 1 and 212 DM 33 states: Division of Minerals Evaluation. The Division of Minerals Evaluation (DME) provides mineral evaluations for bureaus/offices. When requested by other client service offices, DME evaluates mineral potential, minerals contributory value to the estate valued, prepares value schedules, provides mapping or other property descriptions, or identifies potential fractionated estates.

112 DM 33.3G states: The Chief of the DME reports to the Deputy Director/Chief Appraiser and is responsible for providing mineral evaluations for the Department's bureaus and offices, including the Bureau of Indian Affairs, the Office of Hearings and Appeals, and the Office of the Special Trustee for American Indians. DME is considered an additional Client Service Office providing analytical and evaluative support to the other OVS Client Service Offices.

V. Roles and Responsibilities

- A. BLM responsibilities:
1. BLM will perform initial technical reviews of all mineral materials evaluation reports.

2. BLM mineral materials State program leads will provide mineral materials evaluation reports and supporting documentation to DME for independent technical review.
3. BLM will be available to answer questions and provide additional information and/or revised reports during the review and address problems found by DME.

B. DME responsibilities:

1. DME will conduct an independent technical review of mineral materials evaluation reports provided by the BLM in a timely manner as workloads allow. DME will provide an estimate of the review time required upon receipt of the report(s). DME will provide the BLM with a technical review report which will summarize their findings.

DME will review mineral materials evaluation reports for:

- The following Area-Wide Evaluation Reports. Review time – two weeks per report:
 - Scheduled in FY2017- NV (SNDO), NV (full state), AZ (full state), NM (full state), WY (full state), UT (selected districts)
 - All Individual Evaluation Reports for Competitive Sales. Review time – two weeks per report
 - All Individual Evaluation Reports for Noncompetitive Sales. Review time – five business days
 - At least one exclusive sale contract price update report per state per year (if one is required & prepared for contracts with terms longer than 2 years). Review time - five business days.
2. DME will assist with reconciliation or resolution of any outstanding issues found by technical reviewers.

C. The Parties responsibilities:

1. Cooperate in the exchange of technical and other information and documentation in the interest of implementing this MOU.
2. Conduct program and technical coordination meetings, as necessary.

VI. Implementation, Amendment, and Termination

- A. This MOU is effective upon signature by the final approving official indicated below.
- B. This MOU will expire on 9/1/2018, unless terminated, extended, or renewed in writing. The terms or conditions of such extension or renewal will be in writing and require the signature of the BLM Division Chief Solid Minerals and DME Chief.
- C. This MOU may be amended through written agreement of all signatories. Copies of the amendment must be provided to the Parties of this agreement and to the BLM, Central Files for inclusion in the official file.
- D. During the performance of this MOU, the participants agree to abide by the terms of Executive Order 11246 of Sept. 24, 1965 (as amended), on non-discrimination and will not discriminate against any person because of race, age, color, religion, gender, national origin or disability.

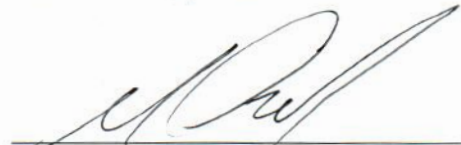
VII. Records

- A. Any records or documents generated as a result of this MOU shall become part of the official record maintained and controlled by the Party that originated creation of the document or that has ownership of the information.
- B. Any requests for release of records associated with the implementation of this MOU to anyone outside of the Parties must be determined based on applicable laws including the Freedom of Information Act and Privacy Act.



John Ross
Director, DOI, OVS

Date: 1/11/17



Michael Nedd
Assistant Director, DOI, BLM

Date: 1/9/17