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REPORT BY THE U.S.

General Accounting Office

The Bureau Of Land Management's Efforts To Identify Land For Disposal

In response to the President's February 1982 executive order, the Department of the Interior's Bureau of Land Management (BLM) reported that it had 2.7 million acres of public land potentially available for sale.

The process BLM used to identify land for sale, however, generally did not meet the comprehensive planning requirements of the Federal Land Policy and Management Act of 1976 regarding land disposal.

Subsequently, BLM improved its land-use planning instructions to make the land-sales process consistent with legal and administrative requirements and is planning to provide additional guidance to its field offices on identifying land for disposal.



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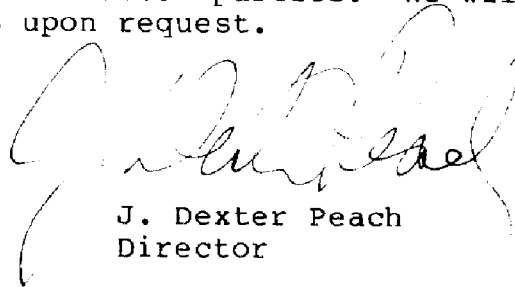
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The Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate

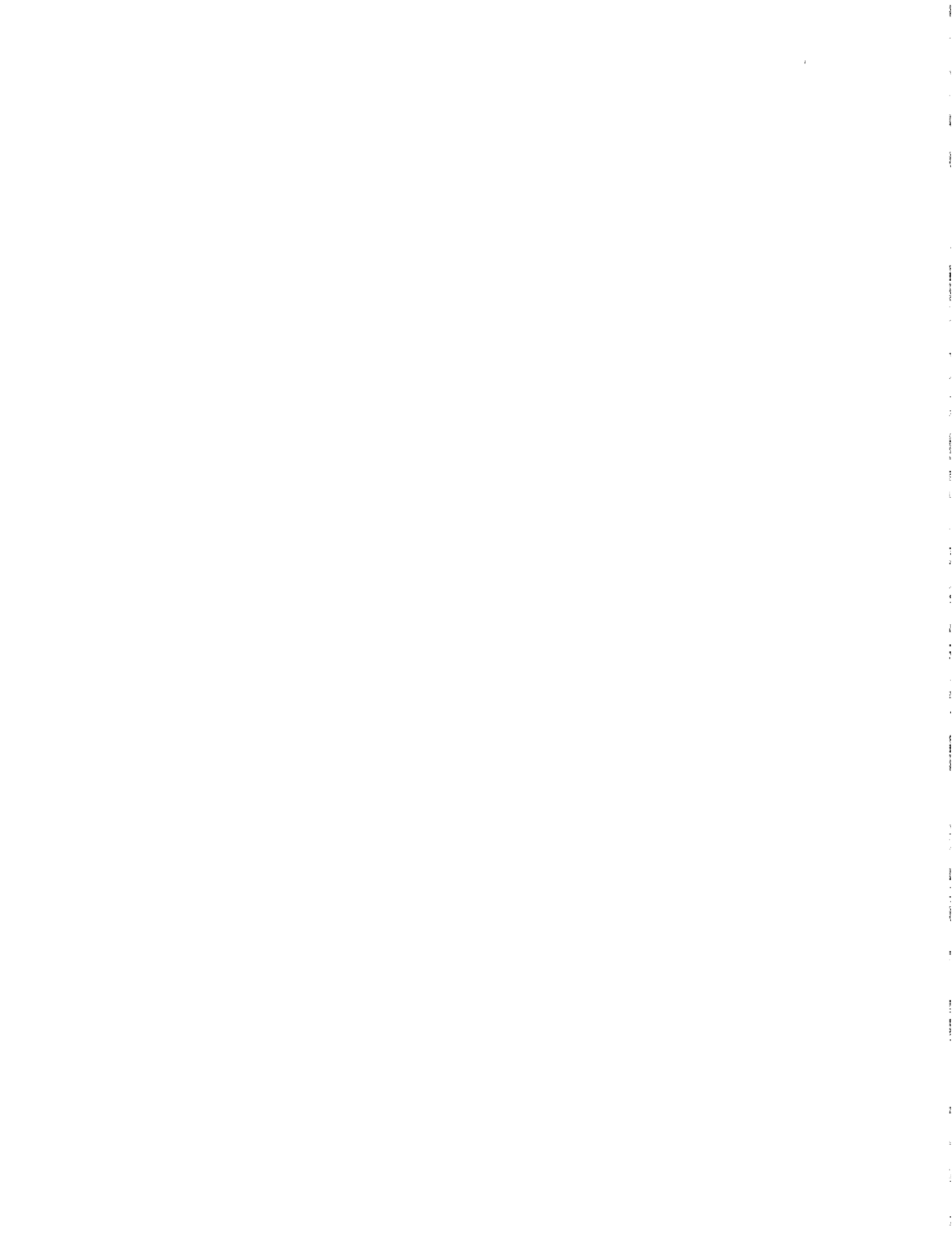
The Honorable Malcolm Wallop
Chairman, Subcommittee on Public
Lands and Reserved Water
Committee on Energy and Natural
Resources
United States Senate

In response to your letters dated January 18 and 19, 1983,
this report discusses the Bureau of Land Management's process for
identifying unused/underused land.

As arranged with your offices, we are sending copies of this
report to the Secretary of the Interior; the Director, Office of
Management and Budget; the Administrator, General Services
Administration; and other interested parties. We will also make
copies available to others upon request.

A handwritten signature in black ink, appearing to read "J. Dexter Peach".

J. Dexter Peach
Director



GENERAL ACCOUNTING OFFICE REPORT THE BUREAU OF LAND MANAGEMENT'S
EFFORTS TO IDENTIFY LAND FOR
DISPOSAL

D I G E S T

The Department of the Interior's Bureau of Land Management (BLM) manages 341 million acres of land. About half of this land is in Alaska and almost all of the rest in 11 western states. These lands contain valuable natural and energy resources and, in the western states, are widely used for livestock grazing.

On February 25, 1982, the President signed Executive Order 12348 establishing a Property Review Board. The Board asked federal agencies to identify and dispose of land and other real property not being used for their intended purposes. The Board said that sales revenues were to help reduce the national debt. Another anticipated benefit was reduced management costs. The initiative became known as the Asset Management Program. (See pp. 1 to 5.)

The Chairman of the Senate Committee on Energy and Natural Resources and the Chairman of the Committee's Subcommittee on Public Lands and Reserved Water, expressing concern about implementation of the executive order, asked GAO to review the land disposal programs of four federal land-managing agencies. This report discusses BLM's program for implementing the executive order, as well as its land-use planning process and the problems involved in selling land. Separate GAO reports discuss the land disposal programs of Forest Service, Department of Agriculture; the Bureau of Reclamation, Department of the Interior; and the Army Corps of Engineers.¹ (See p. 1.)

Pursuant to the executive order, BLM reported in April 1982 that it had 2.7 million acres of public land for potential sale. GAO found,

¹The reports on the Forest Service (GAO/RCED-85-16), the Bureau of Reclamation (GAO/RCED-85-25), and the Corps (GAO/RCED-85-41) were issued on Nov. 6, 1984; Apr. 12, 1985; and Mar. 22, 1985, respectively.

however, that BLM's report was based on a preliminary estimate of lands that might be suitable for sale. BLM was not prepared to make a reliable estimate of what lands could be disposed of because it had not completed its land-use planning required by the Federal Land Policy and Management Act of 1976.

BLM issued regulations implementing the act's land-use planning requirements in September 1979. Preparation of resource management plans, following the land-use planning process required by the act, is an extensive undertaking. According to BLM, it takes 2 years to complete a plan. The process includes public participation; consultation with state, local, and Indian tribal governments; and environmental analysis. As of October 1984 four resource management plans had been completed. (See p. 7.)

When it identified the 2.7 million acres of land as being available for potential sale, BLM had relied on management framework plans developed under the planning system in effect prior to the 1976 act. These plans were narrowly focused and generally did not discuss public land sales, were several years old, and may have lacked timely public and state and local governmental input. (See p. 11.)

In July 1983 the former Secretary of the Interior terminated BLM's Asset Management Program. Public lands sales are to continue, however, under the land-use planning process of the Federal Land Policy and Management Act of 1976. (See p. 5.)

LIST OF UNNEEDED LAND NOT SUPPORTED BY PLANS

The 16 management framework plans that GAO reviewed pertained to about 429,000 acres--about 16 percent of the 2.7 million acres on BLM's asset management list--in five western states. GAO could not always match the land identified on the asset management list with the management framework plans.

Also, after receiving additional information from its field offices, BLM learned that about 1 million acres identified as being available for sale were from areas not covered by any land-use plan. (See pp. 11 to 17.)

NEW GUIDANCE BEING DEVELOPED

In March 1983 BLM issued interim clarifying instructions on standards and requirements that had to be met before land could be sold under the Asset Management Program. These instructions, which continue to apply to BLM land sales, expire at the end of fiscal year 1985. BLM has been developing for its field offices permanent instructions that are scheduled to be completed in July 1985 as a supplement to its land-use planning manual. (See p. 17.)

GAO met with BLM headquarters officials in September 1984 to discuss matters relative to identifying land for disposal which it believed should be included in the supplement to be consistent with requirements of the 1976 act. The BLM officials agreed to include the matters that GAO suggested. (See pp. 17 to 19.)

SELLING PUBLIC LAND: REQUIREMENTS AND PROBLEMS

Other legal and administrative requirements besides land-use planning affect BLM's ability to sell public land. Various laws and executive orders prohibit or restrict the sale of land if the sale would create new sources of pollution or flood hazard or if the land contains threatened or endangered plants or animals, significant cultural or historical sites, or valuable minerals. Unresolved mining claims and grazing leases may also complicate or prevent a sale.

Some BLM land may not sell because it is inaccessible, undesirable, or uneconomical for uses other than livestock grazing. Much of the land BLM identified for possible sale under the Asset Management Program at seven locations GAO visited was under grazing lease or permit. Such land is generally isolated and may not be suitable for development. Grazing lessees may not buy the land if the sale price exceeds the cost of leasing the land from BLM. (See pp. 22 to 29.)

BLM had experienced problems in selling public land, in part because buyers had to pay the full sale price of land within 30 days of the auction date.

In July 1984 BLM amended its public land sales regulations to allow 180 days to pay the full sales price. The revised regulations also allow the public to nominate tracts of public lands that it wants BLM to offer for sale. If a nominated tract is not identified for sale in a land-use plan, BLM is to consider amending the plan. These regulatory changes should make it easier for citizens to arrange financing to buy public land and should improve BLM's sales success by offering land with known buyer interest. (See p. 29.)

AGENCY COMMENTS AND GAO's
EVALUATION

The Department of the Interior generally concurred with the report and said that BLM is taking steps to improve land-use plans pertaining to the disposal of public land. The Department provided clarifying comments and other information which GAO included where appropriate. (See pp. 20 and 21.)

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ABBREVIATIONS

BLM	Bureau of Land Management
FLPMA	Federal Land Policy and Management Act
GAO	General Accounting Office
GSA	General Services Administration

CHAPTER 1

INTRODUCTION

On February 25, 1982, the President signed Executive Order 12348, calling for federal agencies to identify their surplus real property. Federal public land statistics show that the federal government owns about 730 million acres of land, or about one-third of the United States' land area. (See map on p. 2.) The order established a Property Review Board in the Executive Office of the President to, among other things, develop and review federal real property acquisition, utilization, and disposal policies. According to the Board, the order was intended to generate revenues to reduce the national debt, permit better use of unneeded land, and reduce management costs. The Department of the Interior's Bureau of Land Management (BLM) in April 1982 identified 2.7 million acres (outside of Alaska) for potential sale under the order.

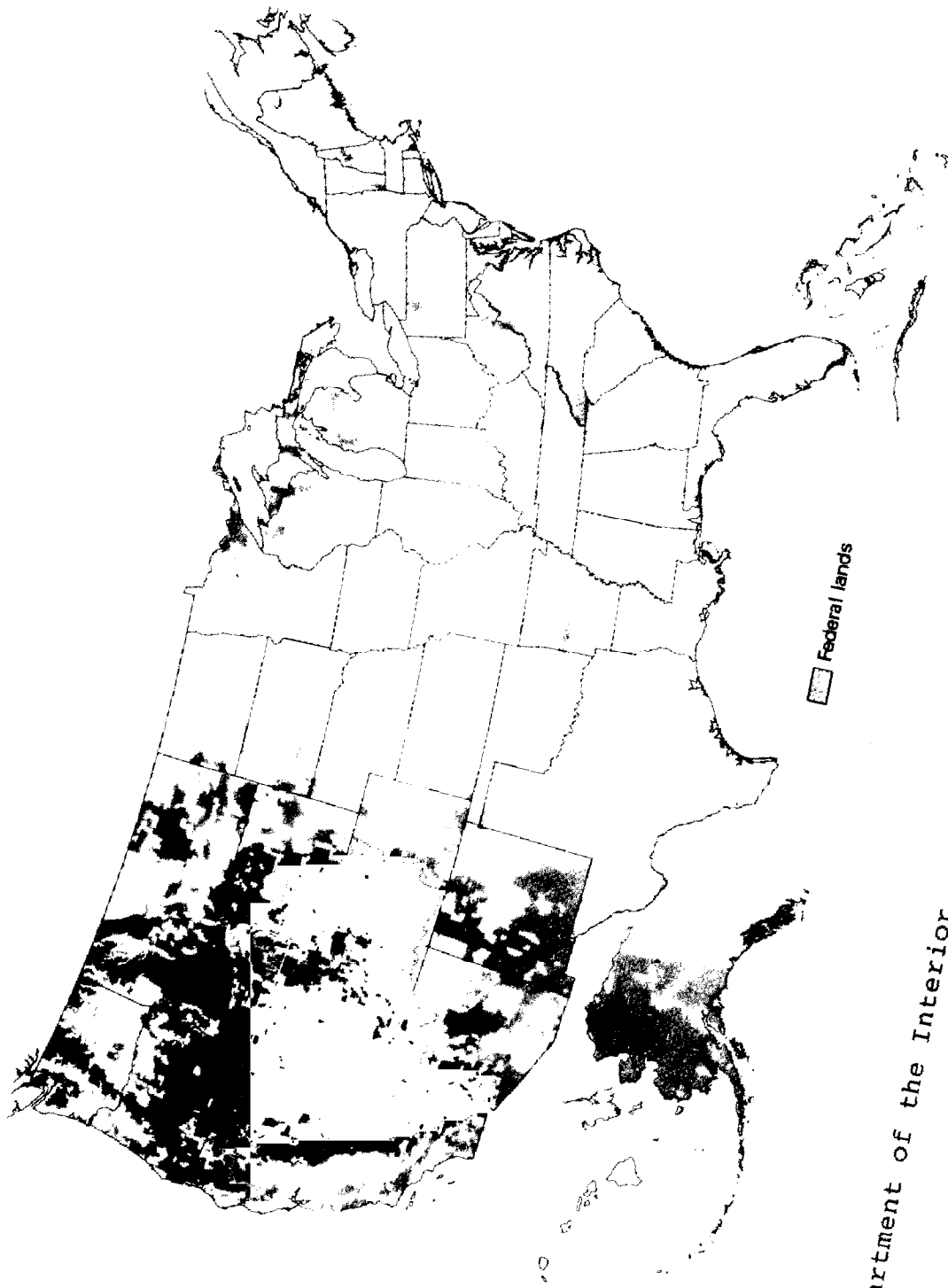
The Chairman, Senate Committee on Energy and Natural Resources, and the Chairman of that Committee's Subcommittee on Public Lands and Reserved Water, expressing concern about how the executive order was being implemented, asked us on January 19 and 18, 1983, respectively, to review how BLM and the Bureau of Reclamation, Department of the Interior; the Forest Service, Department of Agriculture; and the Corps of Engineers, Department of the Army, identify and dispose of unneeded federal land. As agreed with the Chairmen's offices, we have issued a separate report on each agency. This report, the fourth to be issued,¹ discusses how BLM identifies public land for disposal.

FEDERAL LAND OWNERSHIP

Federally owned land includes national parks, forests, and wildlife refuges; defense installations; rangelands, grasslands, and recreation areas; and land around dams and irrigation reservoirs. The four agencies whose programs we reviewed own about 546 million acres, about 75 percent of all federally owned land. The major land-managing agencies and the amount of federally owned land that each manages are shown on page 3.

¹The reports on the Forest Service (GAO/RCED-85-16), the Bureau of Reclamation (GAO/RCED-85-25), and the Corps (GAO/RCED-85-41) were issued on Nov. 6, 1984; Apr. 12, 1985; and Mar. 22, 1985, respectively.

Federal Lands Map



Source: Department of the Interior.

<u>Department/agency</u>	<u>Federally owned acres managed</u>		<u>Percent of total</u>	
	<u>Agency</u>	<u>Dept.</u>	<u>Agency</u>	<u>Dept.</u>
	(000 omitted)			
Interior:				
Bureau of Land Management	341,059		46.7	
Fish and Wildlife Service	84,907		11.6	
National Park Service	77,286		10.6	
Bureau of Reclamation	4,214		0.6	
Other Interior agencies	<u>3,033</u>		<u>0.4</u>	
Total		510,499		69.9
Agriculture:				
Forest Service	192,075		26.3	
Other Agriculture agencies	<u>397</u>		<u>0.1</u>	
Total		192,472		26.4
Defense:				
Corps of Engineers	8,544		1.2	
Other Defense agencies	<u>14,334</u>		<u>2.0</u>	
Total		22,878		3.2
Other federal departments and agencies		<u>3,972</u>		<u>0.5</u>
Total		<u>729,821</u>		<u>100.0</u>

Source: Bureau of Land Management, table 9, Public Land Statistics 1983.

BLM administers 341 million acres (about 47 percent) of the 730 million acres of federal land. BLM's lands contain valuable natural and energy resources and, in the western states, are widely used for livestock grazing. Just over half of the land BLM administers--174 million acres--is outside Alaska. Of these 174 million acres, 99.7 percent is in 11 western states (Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Washington, Oregon, Nevada, and California).

BLM's MISSION AND ORGANIZATION

BLM was established in the Department of the Interior on July 16, 1946, through consolidation of the General Land Office

(created in 1812) and the Grazing Service (created in 1934). BLM plans and executes its land management activities through a decentralized organizational structure. Its Washington, D.C., headquarters office develops guidance to provide an overall policy framework for public land and resource management based on public laws, regulations, executive orders, and other presidential or secretarial documents. BLM has 12 state offices, 55 district offices, and 154 resource area offices located mainly in the western states.

Until the early 1960's, BLM regarded the federal lands it managed--especially in the western states--as subject to eventual disposal. In 1964, however, temporary legislation (the Classification and Multiple Use Act, Public Law 88-607) required BLM to inventory and classify public lands for either (1) retention and multiple-use management² pending the implementation of recommendations to be made by the Public Land Law Review Commission or (2) disposal for purposes such as community expansion. When this authority expired in 1969, BLM had identified about 5 million acres to be disposed of. Another 1964 statute, Public Law 88-606, established the Public Land Law Review Commission. The commission's 1970 report, One-Third of the Nation's Land, recommended modifying public land laws, regulations, and policies to carry out a policy that ". . . the public lands of the United States shall be (a) retained and managed or (b) disposed of, . . ." The Commission decided against wholesale land disposal, since ". . . at this time, most public lands would not serve the maximum public interest in private ownership."

After 6 years of debate, the Congress enacted the Federal Land Policy and Management Act of 1976 (FLPMA), adopting many of the commission's recommendations. FLPMA, which is now considered BLM's organic act, repealed the outdated and conflicting public land laws. The act declares that with the exception of individual tracts (which may be disposed of in the national interest under specified circumstances), it is the policy of the United States to retain public lands in federal ownership and manage the lands for multiple uses such as grazing, recreation, and wildlife.

BLM's ASSET MANAGEMENT PROGRAM TO IDENTIFY UNNEEDED LAND

In Executive Order 12348 the President asked federal agencies to identify real property no longer essential to their activities and responsibilities. The administration's process of identifying and disposing of property is commonly referred to as the Asset Management Program. Within the Executive Office of the President, the Property Review Board, established by the executive order,

²The management of 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.

develops policies for and reviews federal real property acquisition, utilization, and disposal. To comply with the order, each federal agency established its own Asset Management Program.

The order directed all executive agencies to periodically review their real property holdings and conduct surveys of such property in accordance with standards and procedures determined by the General Services Administration (GSA), pursuant to section 206 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 487), and the order. The order directed each agency to report to the GSA Administrator and the Property Review Board, by April 26, 1982, the agency's real property holdings that were not used, were underused, or were not being put to optimum use. The administration's 1983 budget proposal anticipated raising \$17 billion over a 5-year period.

Not all federal agencies, however, have their land holdings governed by the Federal Property and Administrative Services Act of 1949. For example, the review of BLM lands is governed by FLPMA, not by GSA standards and procedures for determining unneeded land. Further, FLPMA authorizes BLM to directly sell land identified in its land-use plans for disposal (unlike some agencies, which have to report land to GSA, the agency responsible for selling most agencies' land and other real property). Nevertheless, BLM lands were considered as included in the order; the Property Review Board began its oversight of BLM's and other agencies' land management and disposal activities in early 1982.

Pursuant to the executive order, BLM reported to the Property Review Board in April 1982 that it had 2.7 million acres of public land valued at about \$2 billion (outside of Alaska) identified in land-use plans for potential sale. The report was based on a preliminary estimate BLM made of lands that might be suitable for sale. After criticism from members of Congress, western governors, and the public concerning BLM's potential sale of the 2.7 million acres, the former Secretary of the Interior, with the consent of the Property Review Board, withdrew BLM from the administration's Asset Management Program in July 1983. In August 1983 the BLM Director rescinded various instructions pertaining to Asset Management Program policies and guidance established by the Property Review Board and instructed BLM's field offices to conduct land disposal activities under their delegated authorities "as in the past, consistent with land use planning." Therefore, BLM reduced its fiscal year 1984 public land sales objectives from 250,000 acres to 62,000 acres.

BLM's LAND-USE PLANNING PROCESS

Section 202 of FLPMA establishes a land-use planning process, known as resource management planning, that is at the center of BLM's resource management decisionmaking. The resource management plans form the basis for decisions on the allocation of public

lands between uses or levels of use, including which lands are to be used for coal leasing, oil and gas development, wildlife, timber, and wilderness and which lands may be sold or otherwise disposed of.

Section 202 requires BLM to allow state, local, and Indian tribal governments an opportunity to actively participate in public land-use planning. Specifically, BLM is to establish, through regulations, the procedures to give federal, state, and local governments and the public adequate notice and opportunity to comment on and participate in formulating plans and programs relating to public lands management. Other federal agencies, state and local governments, Indian tribes, and public land users participate in developing resource management plans. Their contributions to BLM planning are intended to make BLM's land management responsive to public needs. Also, completed plans are used to provide public land users and affected governments and agencies the information on approved land-use activities in a particular area to facilitate their own planning and activities. Each resource management plan normally encompasses one BLM resource area, which represents a geographic area that includes resources such as recreation, range, minerals, and wildlife. Between 150 and 160 resource management plans are to be prepared for BLM's 341 million acres of public lands.

BLM's systematic planning process under section 202 has nine phases, allowing public and intergovernmental participation at each point. The process requires BLM resource area staff to (1) identify issues, (2) develop planning criteria, (3) collect resource inventory data and information, (4) analyze the management situation, (5) formulate alternative land uses, (6) estimate effects of alternatives, (7) select a preferred alternative, (8) select the plan, and (9) monitor and evaluate the plan. The development of a resource management plan is fully integrated with the environmental impact analysis required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

On-the-ground managers located in the resource area offices develop the resource management plans at the local resource area, incorporating guidance from BLM's headquarters, state, and district offices. The BLM Director has overall authority for the planning process; along with writing regulations and establishing planning procedures, the Director's office also developed the planning manual (series 1600) containing specific instructions on the process. The Director, through the budget, prioritizes the resource programs, such as the Asset Management Program, and reviews and resolves protests filed against final resource management plan proposals.

The state directors approve the resource management plans, publish the proposed final plans, and if needed, file the environmental impact statements with the Environmental Protection

Agency. State directors have considerable discretion in deciding on the extent and nature of the planning guidance they will provide to local BLM managers. This guidance reflects the state coordination and agreements with the governors' offices and affected state government agencies. The state directors may establish priorities, goals, and objectives for public land and resource management and alternatives to be considered. District managers may (1) provide guidance that focuses the national and state guidance, (2) supervise the planning activities, and (3) provide budget and staff support.

Section 203 of FLPMA requires that a decision to sell individual tracts of land must be supported by the land-use planning process established in section 202. Section 202's requirements and the implementing regulations include public participation; consultation and consistency with state, local, and Indian tribal governmental land-use plans and views; protest procedures; plan approval; administrative review; and environmental impact analysis that must be complied with.

Section 203 authorizes BLM to sell public land if BLM determines that disposal of a particular parcel will better serve the national interest and establishes three sales criteria. A tract may be sold if

- such tract, because of its location or other characteristics, is difficult and uneconomic for BLM to manage as part of the public lands, and is not suitable for management by another federal department or agency; or
- such tract was acquired for a specific purpose and the tract is no longer required for that or any other federal purpose; or
- disposal of such tract will serve important public objectives, such as community expansion and economic development, that outweigh benefits derived from continued federal ownership.

BLM is in a transitional period awaiting the completion of the 150 to 160 resource management plans for its resource areas. Between BLM's Asset Management Program's start-up in March 1982 and its termination in July 1983, only one resource management plan was completed. Although BLM intends to complete resource management plans for public lands as rapidly as possible within fiscal and staffing constraints, only one plan was complete by the end of fiscal year 1983; three were completed in fiscal year 1984. According to the Department of the Interior's Deputy Assistant Secretary, Land and Minerals Management, it takes BLM field offices 2 years to initiate and complete a resource management plan. In the interim BLM field offices use "management framework plans" developed under the planning process used by BLM before FLPMA as the basis for actions on public lands. BLM developed regulations (which became effective September 6, 1979) to

implement FLPMA's land-use planning requirements. In order to provide for an orderly transition from the old planning process (management framework plans) to the new process (resource management plans), all plans begun in fiscal year 1981 and thereafter are being developed under the FLPMA planning regulations, but management framework plans that were already underway when the regulations were promulgated could be completed. Thereafter, any planning initiated had to be directed toward preparing a resource management plan. To determine which lands could be disposed of under BLM's Asset Management Program, BLM relied entirely on management framework plans.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Chairman of the Senate Committee on Energy and Natural Resources, and the Chairman of that Committee's Subcommittee on Public Lands and Reserved Water asked us to respond to the following questions:

- Are the federal land-managing agencies using their land-use planning processes in identifying unneeded land? (See ch. 2.)
- Was the list of unneeded land that the federal land-managing agencies sent to the Property Review Board complete? (See ch. 2.)
- What requirements have to be met before federal agencies can sell land directly? (See ch. 3.)
- What problems have the land-managing agencies experienced in directly selling land? (See ch. 3.)

The Committee Chairman also asked about the effect that the disposal of unneeded land would have on present users, lessees, and permittees on public lands. However, because Interior's participation in the Asset Management Program was terminated and relatively few acres were sold, we could only obtain individuals' and groups' views regarding BLM's potential disposal of public land. (See ch. 3.)

To address the Chairmen's questions, we selected five western states--Arizona, Colorado, Idaho, Nevada, and New Mexico--containing 53.5 percent of the public lands outside of Alaska and 6 district offices and 10 resource area offices within the five states. Instead of statistically sampling BLM-managed land or offices, we established the following list of information needs to guide our selection of states and individual locations to review (not in any order of priority). We wanted the selected states and locations, when considered together, to provide information about such criteria as land-use planning procedures, land ownership patterns, problems expected in preparing land for sale, and land sales plans and experience. Appendix I shows the specific locations selected and how each location met these criteria.

We discussed the locations we selected and the criteria used to select them with a special assistant to the Director, BLM. He agreed that the selected locations would provide a representative cross-section of BLM offices and land management practices. The results of our review, however, cannot be projected to all BLM locations because the locations we visited were not selected statistically. However, the information we obtained on land-use planning and land sales provides an indication of how BLM's land-use planning process and the Asset Management Program were carried out.

We also visited BLM headquarters in Washington, D.C., including the Office of Planning and Environmental Coordination and the Division of Lands, and the BLM state office in each of the five states we selected to review. We reviewed BLM's applicable statutes (FLPMA and other laws with requirements affecting public land disposals); BLM's regulations on land-use planning and public land sales; the BLM planning manual; instruction memorandums pertaining to the Asset Management Program; and other records pertaining to land-use planning, management, and disposal. We also interviewed officials at BLM headquarters and at state, district, and resource area offices we selected regarding land-use planning, management, and disposal to obtain information on requirements, practices, and procedures.

Because BLM's sales of land have generally averaged less than 20,000 acres per year since 1973, we could not fully respond to the question regarding the effect of a large-scale land disposal program on present users, lessees, and permittees on public lands. As an alternative, we discussed the program with a nonstatistical sample of such parties while BLM was carrying out the Asset Management Program. We interviewed 19 local government officials, 18 ranchers or ranching organizations, 25 realtors, 8 bankers, and 2 others to obtain their views regarding BLM's land-use activities. We reviewed correspondence on the program in BLM's files and news and journal articles written by various conservation groups and by the national news media concerning the Asset Management Program.

We reviewed 16 management framework plans in the district and resource area offices we visited (except for the Kremmling Resource Area in Colorado) because no resource management plans had yet been completed under FLPMA. We wanted to (1) determine whether the management framework plans were adequate to identify public land for disposal, either in response to the Asset Management Program or in accordance with section 203 of FLPMA and (2) verify whether the acreage included in BLM's asset management list submitted to the Property Review Board in April 1982 was specified for disposal in the management framework plans.

We discussed our findings with BLM headquarters officials in September 1984. Their views have been incorporated throughout this report where appropriate. We also discussed our review with staff from Interior's Office of Inspector General, who informed us

that they had no work completed or in progress on BLM's public land sales or on identifying such lands for sale.

We performed our work between January 1983 and September 1984 and made our review in accordance with generally accepted government auditing standards.

CHAPTER 2

BLM's LIST OF LAND SENT TO PROPERTY REVIEW BOARD NOT SUPPORTED BY BLM's LAND-USE PLANNING PROCESS

In its April 1982 report to the Property Review Board, BLM stated that existing land-use plans supported the proposed sale of 2.7 million acres of public land. BLM also indicated that the land identified for sale complied with FLPMA's planning requirements and sales criteria and was a preliminary estimate. The 16 land-use plans we reviewed (428,601 acres of the 2.7 million, or about 16 percent) at six district offices in five states showed, however, that the tracts of land identified for sale under BLM's Asset Management Program were usually not identified for sale in the districts' land-use plans. These plans did not clearly identify particular tracts with legal descriptions or maps or show how the tracts' disposal would meet FLPMA's sales criteria, as required. Later, BLM found that 1 million acres were not covered by any land-use plan.

When the executive order was issued in February 1982, BLM could not use the FLPMA-mandated land-use planning process to identify land for sale under the Asset Management Program because no resource management plans had yet been completed. Rather, to respond to the executive order by early April 1982, BLM used management framework plans developed under a former planning process, which generally did not identify public land for sale nor meet FLPMA's more comprehensive requirements for multiple-use issue analysis, public and intergovernmental participation in planning, and environmental analysis.

Before the former Secretary of the Interior terminated BLM's Asset Management Program in July 1983, BLM had taken steps to (1) revise its land-use planning regulations to make the process more efficient and (2) develop a manual section with detailed instructions on land-use planning requirements, standards, and procedures. Supplementary instructions on land-use planning requirements for land sales actions are expected to be finalized by July 1985. These instructions are intended to help BLM's field offices identify public land for sale, consistent with FLPMA's requirements.

LAND-USE PLANS DID NOT SUPPORT BLM's LIST TO PROPERTY REVIEW BOARD

In transmitting information about BLM's Asset Management Program to the Chairman, Subcommittee on Public Lands and National Parks, House Committee on Interior and Insular Affairs, at his request, the former Assistant Secretary for Land and Water Resources stated in July 1982 that BLM had reviewed existing land-use plans in April 1982 to determine that 2.7 million acres of public land were available for sale according to the plans.

Our analysis of 16 of BLM's management framework plans, pertaining to 428,601 acres of the 2.7 million acres BLM reported in April 1982 as potentially available for sale under its Asset Management Program, revealed that in most cases the land reported to the Property Review Board could not be traced back to the plans. Of the 16 management framework plans we reviewed, 13 addressed disposals but provided, for the most part, no legal descriptions or maps showing clearly which tracts were considered for disposal, nor did they discuss how such disposal would be justified under FLPMA's three sale criteria, thus serving the national interest.

BLM's management framework plans generally did not discuss the sale of public land because, when they were developed, management policy was to permanently retain public lands. Although some plans identified a limited amount of land for disposal, these disposals were usually to be land exchanges with other owners to improve ownership patterns and public land management, not sales of land in general. According to officials in BLM's Planning Office, a planning determination for these types of disposals is not considered legally sufficient support for a subsequent sale.

Further, BLM learned, after receiving additional information from its field offices, that 1 million acres of public lands reported in April 1982 under asset management were not identified in land-use plans as reported.

Matching the April 1982 asset management list was possible with only 4 of 16 management framework plans

Of the 16 management framework plans we reviewed, only 1 plan (Divide, New Mexico) closely agreed on a parcel-by-parcel basis with the land identified on the asset management list. The San Juan, New Mexico, plan identified land for disposal via land exchanges and disposals other than sales, and thus none of this land was reported on the asset management list. Two other plans (Ladron and Stallion, both in New Mexico) did not identify land for sale, and the asset management list did not include any land from these plans. Generally, however, we could not match the land identified on the asset management list with the 12 other management framework plans.

The Divide plan (completed in 1983) identified about 47,000 acres for disposal because these tracts were isolated from other public lands and inaccessible to the public. The asset management list contained (by legal description) about 26,000 acres. The remaining acres identified in the plan were not reported by the resource area because grazing leases on some of the land were expected to encumber sales. However, several public land parcels included in the asset management list and targeted for sale in fiscal year 1984 were not identified in the Divide plan by the Socorro resource area office. When we questioned the lack of land-use planning support for sales actions, Socorro resource area

officials agreed and deleted these parcels from the asset management list.

The San Juan, New Mexico, plan (completed in 1979) specified about 6,500 acres for various forms of disposal other than sales, but the asset management list did not include them. About 3,300 of the 6,500 acres identified in the plan were subsequently used in a land exchange involving BLM, the Forest Service, and various communities and private organizations in New Mexico.

Neither the Ladron nor the Stallion plans (both completed before 1977) identified land for disposal, and none was reported from these areas on the asset management list. We asked the resource area office staff why about 117,000 acres were not reported for asset management because when we looked at these lands on the maps, they appeared to be remote, isolated, and thus "difficult or uneconomic" for BLM to continue to manage. The staff agreed that these lands were isolated and probably uneconomic to manage. However, they said that the 117,000 acres were not reported on the asset management list because the plans did not discuss or analyze the possibility of land being disposed of, so the plans would have to be amended.

Twelve plans did not specifically support land on asset management list

The Black Canyon, Arizona, plan (completed in 1974) did not identify any tracts for disposal, although about 6,500 acres BLM included in the asset management list were in the general area covered by this plan.

Two plans specified various areas for disposal (not just by sale) in enough detail for us to directly compare them with tracts reported on the asset management list. However, the asset management list reported acres that were not found in the plans. The Lower Gila North, Arizona, plan (completed in 1983 but in draft when Executive Order 12348 was issued) specified about 33,000 acres for disposal. However, about 114,000 acres from this area were included in the asset management list. The other 80,000 acres were not identified through the planning process, but a BLM official said that the additional 80,000 acres reported were not in conflict with the plan. BLM officials told us that these lands were included on the asset management list because of the executive order's increased emphasis on land sales. About 100 acres that the Caliente, Nevada, plan (completed in 1979) identified for disposal were included on the asset management list. However, an additional 420 acres included on the list were not identified in the plan.

Various plans generally did not provide the legal descriptions for the lands discussed for disposal actions, although locations were generally described. In such cases, we could not directly compare the parcels targeted for disposal in the plan with the parcels on the asset management list. The Chaco, New

Mexico, plan (completed in 1977) identified over 112,000 acres for disposal, primarily by exchange. Only 31,000 of the 112,000 acres were specifically identified in the plan. The asset management list reported about 46,600 acres for sale. However, we could only match about 1,600 acres with the management framework plan.

The Middle Gila, Arizona, plan (completed in 1976) identified, but only by general description, about 3,800 acres for exchange or transfer to the state. About 1,640 of these acres were reported for sale under the Asset Management Program, which is inconsistent with section 203 of FLPMA. Similarly, the Silver Bell, Arizona, plan (completed in 1976), generally identified about 22,000 acres for disposal, preferably in exchange with non-BLM lands needed for BLM programs. Almost all of these 22,000 acres were reported for sale under the Asset Management Program contrary to FLPMA planning requirements.

The Boise district's asset management list included about 136,000 acres that district officials considered to be supported for disposal action in three plans (Bruneau, Kuna, and Owyhee, completed in 1981-82). We verified that 113 acres that the Boise district office planned to sell during fiscal year 1983 were identified for disposal on BLM's maps, but we did not verify that the remaining acres identified under asset management were the same lands on the maps.

The Royal Gorge, Colorado, plan (completed in 1979) identified 40,648 acres for disposal which were included on the asset management list. Although the Royal Gorge plan did not identify (by legal description) which tracts were to be disposed of, the tracts or areas were clearly identifiable on the maps included with the plan. According to the plan, most of these lands were to be exchanged, not sold, with other landowners' land in order to consolidate BLM's ownership and improve range management for grazing purposes. Part of the land was also identified for public purpose disposals. Therefore, these lands should not have been identified for disposal under the Asset Management Program.

The Esmeralda, Nevada, plan (completed in 1976) did not specify parcels for disposal, although the disposal of land around a particular community was discussed. The asset management list included about 6,000 acres that appeared to be located in the area covered by the Esmeralda plan.

The Raton Basin, Colorado, plan (completed in 1978) identified about 18,000 acres for disposal, but these acres were not described in enough detail to enable us to determine if they were included in the 24,800 acres described on the asset management list. Also, these acres were originally identified in the plan for land exchange purposes to consolidate BLM lands in order to improve land management and public purpose disposals to a state agency.

Limitations of management framework plans

A management framework plan is not the comprehensive, multiple-resource plan that a resource management plan is. It covers smaller administrative units within a resource area rather than consolidating three to five administrative units, as the resource management plans do. Whereas the resource management planning process involves soliciting public and intergovernmental involvement in the early stages to identify issues and problems to address, the management framework planning process did not solicit such outside review of planning issues until after the draft was finished. Thus, outside review and comment followed most of the decisionmaking.

The management framework plans generally focus in depth on one issue, whereas the resource management plans cover many issues. According to the chief of planning and environment in the New Mexico State Office, the management framework plans prepared in the late 1970's generally address only one land-use issue in depth, with some complementary coverage of other land uses. For example, the Chaco (New Mexico) management framework plan focuses on coal leasing. Other land-use issues are addressed only to determine the effect on coal resource development. The chief said that two issues, wilderness and grazing management, had dominated most of the latter management framework plans.

Another distinction between the two types of plans is that management framework plan analysis was not integrated with environmental impact analysis required by the National Environmental Policy Act, whereas in resource management planning both analyses are fully integrated, making the process and decisionmaking as comprehensive as possible. That is, alternative resource management approaches in a draft resource management plan are analyzed according to the environmental impact analysis requirements before BLM selects its preferred alternative. Impact analysis is more focused on interrelationships and potential conflicts, such as grazing versus wildlife habitat, among the multiple resources. With management framework plans, an environmental analysis of separate resource management actions would be completed later (after BLM has selected one resource management approach) before an action--such as coal development--could be taken based on a management framework plan. Thus, in the case of large-scale public land sales anticipated under asset management, BLM would first have had to assess the environmental impact of selling each tract before making the final decision to sell. Since all the land-use plans cited under asset management were management framework plans, major work would have been needed to review the 2.7 million acres that BLM reported as having been identified in such plans to determine if there was any environmental impact.

Land reported on asset management list
from areas without land-use plans

BLM included in its April 1982 list about 1 million acres of land for potential disposal from areas where no land-use plans existed. In December 1982, responding to recurring questions from the Congress and the executive branch about the adequacy of BLM's land-use planning support for asset management, BLM instructed its field offices to review the data supporting the 2.7 million acres and detail which lands reported under asset management were actually described in land-use plans and which were reported from areas with no plan. In January 1983 the field offices raised the amount of land identified for sale from 2.7 million acres to more than 2.9 million acres. Of this amount BLM determined that over 1 million acres were located in areas that had no plan, as shown below.

Comparison of Land Reported for Disposal Under
Asset Management With Land-Use Plans' Coverage
(BLM field offices' December 1982/January 1983 submissions)

<u>State office</u>	<u>Total acres identified</u>	<u>Acres in land-use plans</u>	<u>Acres where no land-use plan exists</u>
Arizona	569,522	241,379	328,143
California	278,569	207,418	71,151
Colorado	181,824	155,029	26,795
Idaho	348,848	232,337	116,511
Montana ^a	20,584	20,584	0
Nevada	601,266	308,260	293,006
New Mexico	364,263	242,155	122,108
Oregon ^b	212,310	182,942	29,368
Utah	78,677	65,779	12,898
Wyoming ^c	288,672	257,379	31,293
Eastern states	<u>11,893</u>	<u>300</u>	<u>11,593</u>
Total	<u>2,956,428</u>	<u>1,913,562</u>	<u>1,042,866</u>

^aIncludes North and South Dakota.

^bIncludes Washington.

^cIncludes Kansas and Nebraska.

According to a BLM planning office official, the misclassification of this land was the result of BLM headquarters instructions in March 1982. The field offices were instructed to report acreage whose (a) "transfer is in conformance with existing land use plan, or no land use plan exists" (emphasis added) or

(b) whose "transfer would require amendment of the existing plan." Much of the land on the April 1982 asset management list in category (a) was from areas without land-use plans, but BLM did not know how much until field offices reexamined their list in December 1982.

BLM TAKES STEPS TO CORRECT LAND-USE PLANNING PROBLEMS

The results from BLM's December 1982 reexamination of its planning base showed BLM that problems existed in using the management framework plans to support the sale of public land under the Asset Management Program. In March 1983 BLM issued clarifying instructions on land-use planning for selling public land, instruction memorandum 83-373, developed jointly by the Division of Lands and the Planning Office.

The instruction memorandum discussed the standards and requirements for proposed land sales analysis that have to be met before a land-use plan can be considered consistent with FLPMA sections 202 and 203 and the implementing land-use planning regulations. Although the instruction memorandum did not contain any new policy or requirements, it was the first time that BLM headquarters had described how land-use plans should be developed analytically to support public land sales. The memorandum stated that state directors and district managers were to be responsible for determining the legal and regulatory adequacy of their completed plans. Thus, if these directors and managers found that a proposed asset management sale was not "sufficiently described in completed plans," they would reconsider the proposed action in a new planning process to assure that the planning requirements were complied with.

The instruction memorandum stated that "proposed disposal actions should be clearly described and analyzed" in the land-use plan. That is, plan documentation of proposed disposals were to show which of the three sale criteria in FLPMA section 203 would be met, as well as additional criteria to justify disposal as established by the state director, bureauwide policy, or public and intergovernmental suggestion. Significantly, the instruction memorandum stated that "Plan decisions and supporting maps should plainly show tracts or parcels determined suitable for disposal," with the anticipated type of disposal described (i.e., sale, exchange, or public purpose grant). The memorandum requires that if such distinctions could not be made, the analysis assumed that the proposed action is a public land sale.

BLM's land-use planning manual to incorporate supplemental instructions on public land sales

We met with BLM officials in the Division of Lands and the Planning Office in September 1984 to discuss examples from our review where the field offices appeared to have problems

interpreting FLPMA's land-use planning requirements and the implementing regulations. BLM promulgated revised land-use planning regulations, which became effective in July 1983. Much of the detailed instructions that were included in the previous regulations have since been incorporated and expanded in BLM's manual (series 1601 to 1632--Bureau Planning System). We discussed with the officials two issues that we believed should be covered in BLM's manual on FLPMA planning requirements for land disposal actions that would be useful to the staff responsible for developing and implementing land-use plans. The issues include land ownership adjustments and documenting land sales decisions.

The officials agreed that supplemental guidance was needed in BLM's land-use planning manual to give field offices a common understanding of the unique requirements in FLPMA for multiple-use planning to support public land sales decisions. The officials told us that both offices are working together to develop supplemental guidance, which is expected to be included in the manual by July 1985. Although these officials would not disclose the scope or specifics of the guidance they were drafting, BLM subsequently informed us that the manual will address the two issues in its supplemental guidance. Until the manual instructions are issued, BLM has extended its 1983 instruction memorandum through fiscal year 1985 for continued guidance to field offices.

Scoping process should evaluate changes in public land ownership as a potential planning issue

We discussed with BLM officials our view that the manual should state that when field offices evaluate which public land management issues to include in the plan's scope, they consider including the issue of land ownership adjustments. Although FLPMA does not specifically require it, land ownership patterns should be considered to provide a basis to decide whether parcels of land should remain in the public domain, sold, or exchanged for land in private, state, or local government ownership. The planning manual does not now instruct field staff to analyze public land ownership patterns and possible changes during resource management planning. Resource management plans necessitate considerable investment in staff and time and are intended to be comprehensive in scope by addressing all public land management objectives and activities. Because we found that disposals were rarely discussed in management framework plans because of the "permanent federal retention" management philosophy, we pointed out that public land disposals (sale, exchange, etc.) may not be adequately addressed unless there is an explicit instruction to do so, where appropriate.

Land sales decisions should be documented in plans

It was difficult to relate 13 of the 16 management framework plans we reviewed to the asset management list because the plans were not tract-specific and generally provided little or no

information on which lands were suitable for sale. Since section 203 of FLPMA requires planning documentation for sales decisions on a tract-specific basis, the planning manual should discuss these requirements for illustrating or documenting which tracts are proposed for sale or other disposal. BLM's March 1983 instruction memorandum subsequently detailed requirements for planning documentation. We believe that the permanent instructions need to explain how to present information on public land disposals (sales, etc.) to the public, showing the locations and reasons for proposed changes in BLM land ownership. The resource management plans can use maps, legal descriptions, or other methods for easily locating the tracts cited for disposal. This would facilitate appropriate public review and comment. The officials in the Division of Lands and the Planning Office agreed that these matters need to be addressed.

The planning manual should note that the methods of disposal (i.e., sale, exchange, grant, or boundary adjustment) should be clearly defined throughout the various planning phases to facilitate informed public and state and local government review. We discussed with BLM Planning Office officials our concerns about some field office conclusions that proposed actions to sell public land were "in conformance with the intent" of the land-use plan since the plan had proposed a land exchange in order to improve ownership patterns. According to the Socorro resource area manager, discussing land exchanges in the management framework plan did not commit BLM to actually carrying out that form of disposal. He indicated that, in normal circumstances where BLM has a choice as to disposal method, exchange should be the method chosen. He added that this would not limit the disposal method to exchange, that is, BLM could still sell the land. However, in our opinion, a sale differs significantly from an exchange in its potential effect on BLM's multiple-resource management programs, since selling land permanently reduces the quantity of resources in public ownership, while an equal exchange of lands generally does not reduce BLM's resource base. The Planning Office's lands program coordinator agreed with us that it would be inappropriate for a subsequent land sale to be based on a plan determination to exchange the land for other land. He said that section 203 of FLPMA explicitly states that sales decisions must be the direct result of land-use planning analysis.

CONCLUSIONS

When Executive Order 12348 was issued in February 1982, BLM was not prepared to make a reliable estimate of what lands could be sold or otherwise disposed of. BLM had not completed any land-use plans required under FLPMA and, as a result, had to rely on management framework plans in identifying the 2.7 million acres of land as being available for potential sale. Various factors contributed to why the 2.7 million acres BLM identified were not directly supported by land-use plans, as required by FLPMA. BLM had to hurriedly develop a list of unneeded land to send to the Property Review Board because of the short time allowed to

respond to the order. Also, the field offices did not have clear instructions regarding the standards and requirements for land sales analysis that had to be met before the land management plans could be used to support land sales. BLM's experience with the Asset Management Program showed that some problems existed in the instructions for land-use planning to identify and support public land sales.

BLM is now taking steps that should improve its land-use planning for identifying and supporting the disposal of public land. The steps BLM is taking through its supplemental guidance are intended to improve its land-use plans and enable BLM to comply with the FLPMA process. Because BLM is taking action and the supplemental guidance is expected by July 1985, we are not making any recommendations at this time for improving BLM's land-use planning instructions.

AGENCY COMMENTS AND OUR EVALUATION

In commenting on a draft of this report (see app. II), the Department of the Interior generally concurred with the report and provided clarification of certain findings or observations. The Department's principal comments and our evaluation are discussed below.

The Department said that we apparently misunderstood the purpose of BLM's initial inventory of 2.7 million acres of potentially unneeded land. According to the Department, its field offices identified the 2.7 million acres as "potentially suitable for sale" and the gross estimate of 2.7 million acres stemmed only partly from land-use plans since identification was to include lands where no plans existed. The Department also said that additional fieldwork and environmental assessments would be necessary before BLM could know more precisely how much of the 2.7 million acres could be sold. As we point out in chapter 3, various requirements of laws, executive orders, or BLM procedures have to be satisfied before the land can be sold. We clarified the report to show that the 2.7-million figure was preliminary.

The Department said that BLM was aware from the outset that a portion of the 2.7 million acres was not covered by existing land-use plans. The information BLM reported to the Property Review Board in April 1982, however, indicated that all 2.7 million acres came from land-use plans. For example, in the report to the Board, BLM listed the 2.7 million acres under the caption "Labeled for Transfer in Existing Plans." In a narrative section of the report under the caption "Preliminary Inventory of BLM Lands," BLM said that the 2.7 million acres were "identified in existing land use plans."

The Department also said that BLM generally realized that refinement of the "first cut" would effect a sizable reduction in the 2.7-million figure. While BLM might have known that some of

the 2.7 million acres were not covered by existing land-use plans, it was not until January 1983 that BLM became aware of how much was not covered. As we pointed out on pages 16 and 17, BLM asked its field offices in December 1982 to list what lands did not tie into existing plans and the field offices reported that about 1 million acres were not covered by a plan.

The Department said that our draft report suggested that deficiencies in the treatment of land disposals stemmed from the fact that the management framework plans were pre-FLPMA and thus did not fully meet FLPMA requirements. The Department said that it did not agree that the management framework plans were not fully in compliance with FLPMA. The Department agreed that most of the acreage had not been specifically identified as suitable for sale but said that FLPMA section 203 sales criteria would be applied and an environmental assessment would be made in the final decisionmaking process.

As we pointed out on pages 11 and 12, the management framework plans did not show, for the most part, legal descriptions or maps showing clearly which tracts were considered for disposal, nor did they discuss how such disposal would be justified under the three sale criteria in section 203 of FLPMA. Under section 203, BLM can sell land only if (1) the land is difficult and uneconomic for BLM to manage, or (2) the land was acquired for a specific purpose and the land is no longer required for that or any other federal purpose, or (3) the disposal of such land would serve important public objectives. While BLM might have anticipated applying the sale criteria and making the environmental assessment in the final decisionmaking process, the plans we reviewed had not yet undergone this process and thus were not fully in compliance with FLPMA's requirements regarding land sales.

The Department said that it agreed with our suggestion in the draft report that its planning manual should contain guidance to instruct its field offices to

- (a) analyze and consider land ownership changes during the planning process,
- (b) consult with state and local governments when identifying land for sale, and
- (c) document land sales decisions in resource area plans.

The Department said that while it would address items (a) and (c) in its supplemental guidance, item (b) is a required element of the overall resource management planning process and is dealt with extensively in subparts 1614 and 1615 of the planning manual. Accordingly, we deleted item (b) in view of BLM's agreement to provide supplemental guidance in analyzing and considering land ownership changes and documenting its land sales decisions.

CHAPTER 3

REQUIREMENTS, PROBLEMS, AND INDIVIDUALS'/GROUPS' VIEWS

REGARDING BLM'S DISPOSAL OF PUBLIC LAND

Once BLM identifies land that can be sold, the land cannot be disposed of until various requirements of laws, executive orders, or BLM procedures are satisfied. Even if the requirements are satisfied, BLM may have problems selling the land directly because it may be inaccessible, undesirable, or uneconomical for anything but leasing.

The views of 72 individuals or groups with whom we discussed BLM's plans to sell public land under the Asset Management Program varied. Some said the land should be sold, while others favored its retention. Five western governors and some environmental groups had generally negative views on the President's proposal to sell public land. Other issues which the respondents raised included the problem of gaining access to land if a buyer is not an adjoining landowner, the prospects for selling land, and the effect of BLM's requirements for cash sales for buying land.

LAND SALES REQUIREMENTS

BLM cannot dispose of land until various requirements are satisfied. As we noted in a 1981 report,¹ which lands are disposed of and how long the disposal process takes could be affected by such requirements. In addition to complying with FLPMA land-use planning requirements, BLM must comply with other statutes and executive orders. These requirements fall into two broad categories--those that preserve history and those that preserve the environment. BLM must also follow procedural mandates before it can process a tract of land for sale.

Statutory and executive order mandates

Preserving history

The Antiquities Act (Public Law 59-209) requires preservation of antiquities. The act prohibits appropriating, excavating, injuring, or destroying any "historic or prehistoric ruin or monument" or any "object of antiquity" found on government-owned or government-controlled land without the permission of the secretary of the department having jurisdiction over the land. Prior to any disposal, an investigation is made to determine the presence or absence of antiquities. The extent and intensity of the investigation can range from a literature search and field examination by a nonarcheologist to an in-depth site investigation by an archeologist.

¹Numerous Issues Involved in Large-Scale Disposals and Sales of Federal Real Property (CED-82-18, Dec. 11, 1981).

According to BLM guidelines, the Historic Sites, Buildings and Antiquities Act (Public Law 74-292) and the National Historic Preservation Act (Public Law 89-665) require an investigation of proposed land sales or uses to determine the presence of any sites, buildings, structures, or objects of national historical significance. If there are such items, they must be preserved and the proposed sale or land use is denied.

The Reservoir Salvage Act (Public Law 86-523) provides for the preservation of historical and archeological data (including relics and specimens) that might otherwise be lost as the result of dam construction.

Executive Order 11593, Protection and Enhancement of the Cultural Environment, sets forth the responsibilities of federal agencies under the historic preservation laws. Under the order, BLM consults with state historic preservation officers, the National Register of Historic Places, and the Advisory Council on Historic Preservation when cultural values of national historic significance are found on lands proposed for disposal. If loss of significant cultural values cannot be mitigated, the lands cannot be transferred from federal ownership.

Preserving the environment

The National Environmental Policy Act of 1969 (Public Law 91-190) requires that proposed federal actions must be evaluated to determine if they have major or minor environmental impact. The evaluation considers alternative actions and mitigating measures. Although environmental impact analysis is integrated in the land-use planning that first examines whether to dispose of public land, a tract-specific assessment is also done before the final decision is made.

The Clean Air Act (42 U.S.C. 7418) requires the federal government to comply with federal, state, interstate, and local requirements respecting control and abatement of air pollution. The potential for increased air pollution must be considered in BLM disposal actions prior to making the disposal.

Section 101 of the Clean Water Act (33 U.S.C. 1251) sets out national policies on the quality of the nation's water. BLM's disposal actions must be evaluated to assure compliance with this policy.

One purpose of the Endangered Species Act of 1973 (Public Law 93-205) is to "provide a means whereby the ecosystems upon which endangered species and threatened species depend may be conserved, . . ." The act also provides that it is ". . . the policy of Congress that all Federal departments and agencies shall seek to conserve endangered species and threatened species . . ." BLM's guidelines require that an investigation be made before land can be disposed of to determine the presence of and conserve endangered or threatened fish, wildlife, and plant species. Land

disposals or uses cannot be made that would jeopardize the continued existence or recovery of endangered or threatened fish, wildlife, or plants.

Executive Order 11988, Floodplain Management, requires that federal agencies reduce the risk of flood loss and minimize the impact of floods on human safety, health, and welfare and restore and preserve the natural and beneficial values of the floodplains in carrying out their responsibilities, including land transfer actions. According to BLM, an evaluation must be made and public participation procedures must be observed before public land can be transferred out of federal ownership. Under BLM guidelines, if the transfer and development of tracts causes a flood hazard, either the lands are to be retained in public ownership or the federal government is to include a stipulation or covenant in the lease or patent to limit the type of use or uses permitted on the land.

Executive Order 11990, Protection of Wetlands, details factors relevant to the survival and quality of the wetlands. Conflicts between the resource development proposals and other resource values often occur because of the wide range of resources on wetlands. Fisheries, wildlife habitats, and water quality values in wetlands are often threatened by mineral extraction (especially for rock and aggregate), timber production, road construction activities, and other changes in land use once wetlands are disposed of.

Procedural mandates

BLM has various procedural mandates it has to comply with in processing a tract of public land for sale.

Real estate (cadastral) survey. This procedure is required to record legal property boundaries, subdivision lines, and related details. These surveys serve as the basis for patents and other documents used to convey the tract out of federal ownership.

Appraisal of fair market value. This procedure is required by FLPMA and implementing regulations. Public land may not be sold for less than appraised fair market value, as determined in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions.

Field examination and land reports. These reports prepared by BLM staff provide BLM with a final recommendation that a proposed sale action would be consistent with applicable laws and policy.

Adjudication in court. This procedure is required to protect outstanding third-party rights of record prior to issuance of a transfer document (usually a patent) and assure that the transferee is legally capable of acquiring the land or interest

proposed for transfer. If transfer would unduly interfere with valid third-party rights or the proposed transferee is not legally capable of acquiring title, the disposal action is terminated.

Right to protest and appeal. These procedures involve (1) protests from land decisions dealing with the suitability of the land for transfer out of federal ownership and (2) appeals from adjudicative decisions involving a transferee's legal capability to acquire, or valid third-party rights in, the land proposed for disposal. Protests are made through BLM's line management channels and often end with a decision from the Office of the Secretary of the Interior. Appeals are made to Interior's Board of Land Appeals. Protests and appeals can delay disposal actions for a year and longer or preclude disposal action.

Mineral evaluation. FLPMA requires that public land management and proposed disposals consider the national need for domestic sources of minerals, including implementation of the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a). In addition, FLPMA generally requires federal retention of oil, gas, and coal lands. To determine the existence of valuable resources on public land, BLM has to conduct inventories and make evaluations. This requires BLM to visit each tract of land under disposal consideration to physically determine the existence of resource values. If mining claims exist on lands being proposed for sale, BLM must evaluate the actual mineral production potential to determine the best use of land. If there is potential for developing the minerals, then land disposal is not allowed. Claim validity determinations and subsequent claim contest proceedings often take several years.

BLM maintains records of 1.5 million mining claims and estimated in December 1982 that as much as 10 percent of the 2.7 million acres it identified for potential sale under the Asset Management Program could be encumbered by such claims. Due to the potentially large expense of determining whether a claim is valid, BLM decided against disposing of any land encumbered by unpatented mining claims for the Asset Management Program.

Other requirements

Section 402(g) of FLPMA and the implementing regulations (43 C.F.R. 2711.1-3) require that before BLM can dispose of any land that is being leased for grazing, it must give the lessee or permittee a 2-year prior notice that it is cancelling the lease, even if only a small part of the leased land is to be sold. BLM administers over 22,000 livestock grazing leases and permits on about 150 million acres of public land in the western states. About 48 percent of public land is encumbered by such leases and permits. In some resource areas most of the land reported for sale under the Asset Management Program was leased for grazing. For example, in the Socorro (New Mexico) resource area, over 99 percent of the 38,500 acres identified for possible sale as of June 1983 was under grazing lease.

The lessee or permittee may choose unconditionally to waive the 2-year notice period; and in that case, BLM may proceed to offer the land for sale or other disposal. Otherwise, BLM would have to wait 2 years before marketing the land or condition the sale upon continued grazing by the lessee/permittee until the permit or lease expires or terminates. Since permits and leases are for up to 10 years, selling a tract with such restrictions could lower the market value.

PROBLEMS BLM HAS IN DIRECTLY SELLING LAND

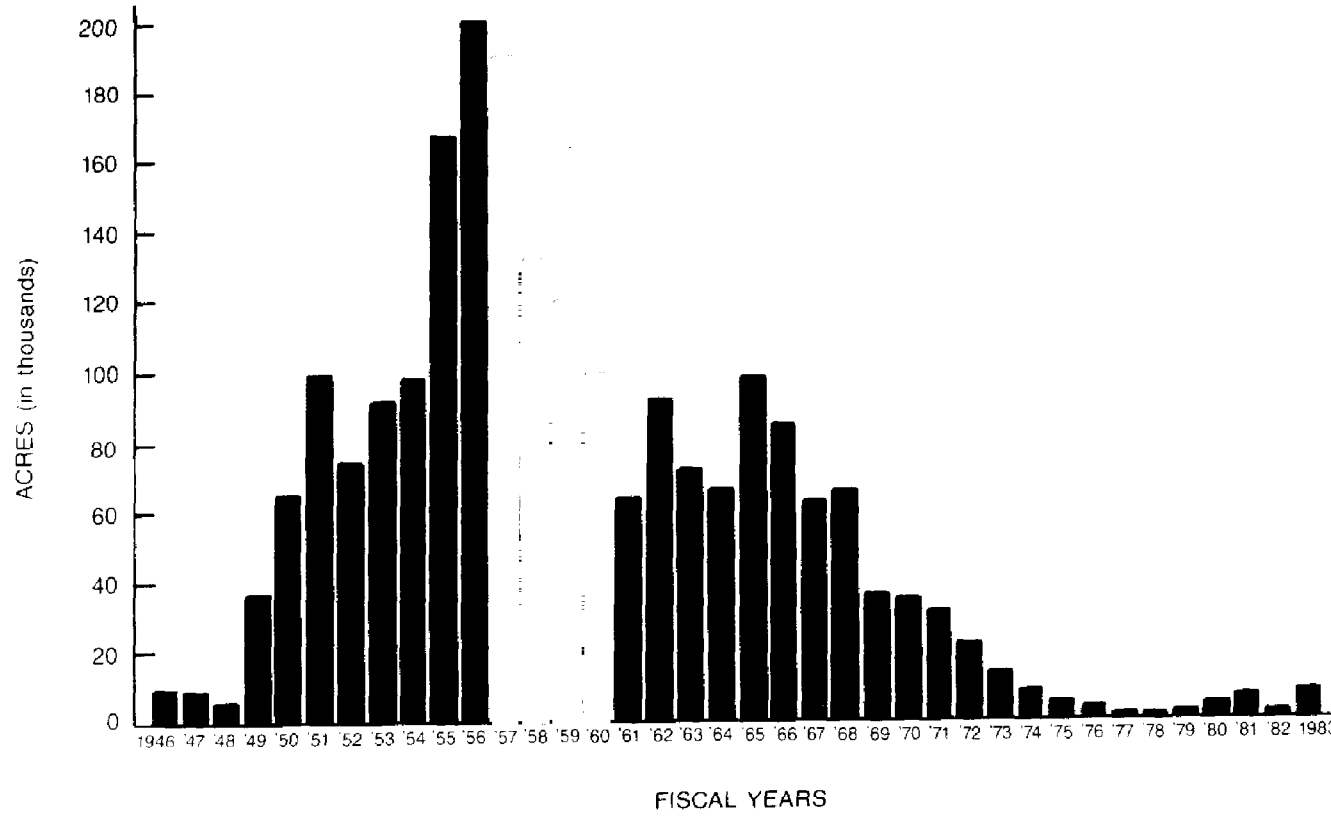
BLM's success in directly selling land has been mixed because of various problems. For example, tracts of unneeded land may not sell because the land may not be legally accessible, may not be desirable or economical for any purpose but grazing livestock, or because BLM sales procedures make purchase unattractive. In July 1984 BLM promulgated revised public land sale regulations, which became effective in August 1984, to help improve its sales success.

BLM's land sales

Between October 1, 1981, and March 31, 1983, BLM sold about 18,300 acres of public land. BLM's peak sales year was 1956, when it sold over 200,000 acres. Lately, however, BLM's sales have been running substantially lower. Since 1973 sales have generally averaged less than 15,000 acres per year. (See fig. on next page.)

BLM's Public Land Sales, Fiscal Years 1946-83

Public Land Sales



Source: Department of the Interior.

BLM has had problems selling land. For fiscal years 1982 and 1983 and the first half of fiscal year 1984, BLM offered 68,676 acres, sold only 18,296 acres, and received about \$15.4 million. In Arizona, for example, 94 of 122 parcels (77 percent) prepared for sale in fiscal year 1983 did not sell. BLM held land auctions in Arizona during 1983 at which 122 parcels appraised at \$3,133,891 were offered. A total of 28 parcels (23 percent), appraised at \$533,791, sold for \$562,891. The parcels that sold were near urban areas or were known to have public interest.

At the early stage of BLM's Asset Management Program, the Department's budget estimated that BLM would sell \$300 million in fiscal year 1984. As indicated above, however, BLM's land sales have not matched this estimate.

Much of BLM's land is more suited
to continued leasing than sale

Most of the land BLM identified for potential sale under asset management at the locations we visited was being leased to ranchers for livestock grazing. Such lands are generally scattered, isolated parcels lacking legal access, and are generally unsuitable for any use other than grazing. Unless the rancher wants to purchase the land, it may not be salable. For example, in the Socorro (New Mexico) resource area, BLM identified 38,500 acres of such land in fiscal year 1984. Most of this land was leased for grazing. Typical of the land identified was 1,840 acres from one 1,920-acre tract under a grazing lease near Dusty, New Mexico (population 200). These lands are intermingled with private and state-owned land, have no legal access, and are located about 60 miles from the nearest urban area. According to the range conservation specialist at the resource area office, these lands would not be desirable for anything but grazing.

According to BLM officials, grazing lessees will not benefit from purchasing land they lease, since purchase costs far exceed leasing costs which were significantly lower on nearby private lands in 1982. BLM and the Department of Agriculture's Forest Service are studying grazing fees to determine if they should be raised. A draft report, which will solicit public comment, was expected in March 1985. The Congress will make the final determination if grazing fees should be raised. For example, the grazing lessee near Dusty, New Mexico, paid \$550 to lease the 1,920 acres of public land for livestock grazing for the period March 1, 1982, through February 28, 1983. The BLM range specialist in Socorro estimated the market value of grazing land in this area to be about \$50 per acre. Using this value we estimated that the market value of the 1,920 acres would be \$96,000. At that time, BLM regulations required that 20 percent of the sales price be paid as the initial purchase offer and the balance within 30

days of BLM's accepting the sale offer.² This price equals about 175 years of continued leasing costs at the rate of \$550 per year. If the lessee had to borrow \$96,000 at 10 percent interest, the interest alone (assuming no payments on principal) would be \$9,600 a year, substantially more than the lessee pays for annually leasing the land.

BLM revised its public land sales regulations to improve marketing potential

BLM began revising its land sales regulations (43 C.F.R. 2710) in early 1983 to facilitate land sales for the Asset Management Program. Final rules were not effective until August 1984, 13 months after the Asset Management Program was terminated in July 1983. The changes should make it easier for individuals to raise funds to buy public land that BLM wants to sell and to indicate their interest in specific lands that they want to buy.

BLM's land sales experience had indicated that the regulatory requirement for purchasers to pay for public land within 30 days had constrained some interested buyers who were unable to quickly obtain commercial financing. BLM decided to extend the transaction period to 180 days to afford greater latitude to arrange financing. A more flexible bid deposit (10 to 30 percent, depending inversely upon total price, rather than a flat 20-percent deposit) was established to provide an equitable opportunity to a wider range of potential buyers.

BLM also established a mechanism in the regulations so that the public can nominate public lands for sale. Public nomination does not mean, however, that land-use planning analysis is avoided. Any public land offered for sale must be included in a land-use plan or plan amendment; its disposal will thus depend on a BLM determination of salability. Previously, BLM could identify land for disposal in a land-use plan but would not be obligated to implement the plan decision. BLM expects that public nomination, viewed as an additional opportunity for public participation in BLM's land management activities, will improve BLM's sales success, since more land identified through the planning process can be offered that BLM knows has buyer interest.

INDIVIDUALS'/GROUPS' VIEWS ON BLM'S DISPOSAL OF PUBLIC LAND

The reaction of western governors, environmental groups, and individuals we contacted varied on the President's proposal to sell large amounts of public land administered by BLM. Five

²BLM amended the regulations (43 C.F.R. 2711.3-1) in July 1984 (effective August 1984). Purchasers now can initially pay 10 to 30 percent of the sale price and the balance within 180 days.

western governors, in statements to the Subcommittee on Public Lands and National Parks, House Committee on Interior and Insular Affairs, in September 1982 generally opposed a major sell-off of federal land, in part because they had not been involved in the process of identifying which lands should be sold. They were concerned about the effect of a large land sale program on their states' economies and resources since BLM-administered lands comprise such a large percentage of the area in the western United States.

Several governors raised questions about BLM's list of land available for sale not being linked to land-use plans. The governors cited FLPMA's requirements that land-use planning must be completed and outside participation obtained before decisions can be made to sell public land. The governors of Idaho, New Mexico, Wyoming, Colorado, and Utah testified to the unreliability of BLM's reports and the lack of public and intergovernmental participation in the Asset Management Program. The Governor of Colorado reported that in August 1982, the Western Governors' Policy Office, comprising the governors of Arizona, New Mexico, Utah, Idaho, Montana, North Dakota, South Dakota, Wyoming, and Colorado, unanimously adopted a policy position on the large-scale disposal of public lands initiated under asset management in reaction to the perceived unilateral conduct of the program. Part of the governors' policy statement was:

"FLPMA states the policy and intent of Congress to retain the public lands in federal ownership. We support federal retention of public lands unless, as a result of land use planning conducted under the procedures specified in FLPMA, the disposal of a particular parcel will serve the national interest. We believe that disposal decisions should reflect a careful and balanced consideration of the non-economic values encompassed in the principles of sustained yield and multiple use. . . . We urge . . . the Department of the Interior to keep strict compliance with existing statutes governing federal land management and disposal. Such compliance would include consultation with the public land users, with adjacent landowners, and with state and local officials regarding the selection of possible tracts for disposal in order to assure consistency between federal land use plans and those of state and local governments."

Environmental groups did not favor large-scale disposal of public lands. Several organizations, including conservation as well as public land user oriented groups, testified at oversight and budget hearings in 1982 and 1983 against large-scale sales of public lands and questioned whether FLPMA requirements for land sales actions would be followed. In an article in the Nov./Dec. 1982 issue of Sierra magazine, the Sierra Club noted that rare or endangered plant and animal species were found on some of the public land identified for disposal and that some of the lands were

important natural areas. The Idaho Conservation League published accounts that BLM identified 100,000 acres of public land for disposal in Idaho containing habitat needed by various species of wildlife, including elk, antelope, mule deer, sage grouse, and waterfowl. The League said that the sale of public land in Idaho would diminish hunting opportunities for many public lands users and similarly affect recreational opportunities such as hiking, rock collecting, off-road vehicles, and fishing. Various news articles noted public concern with the lack of outside participation in identifying land for sale in the Asset Management Program.

While we were reviewing the 16 land-use plans in the district and resource area offices, we spoke with 72 individuals (19 city and county officials, 18 ranchers or ranching organizations, 25 realtors, 8 bankers, and 2 others) to obtain their views on BLM's sales goals or other concerns about the Asset Management Program. The following discussion summarizes their responses.

Eight of the 19 local government officials said that they had an adequate opportunity to provide information to BLM's land sale process, while 11 said that they were dissatisfied with the opportunity to be involved. An Idaho rancher told us that he had an adequate opportunity to comment but that BLM had ignored his comments.

Seventeen individuals said that they would prefer that the land be exchanged or sold directly, without competitive bidding, to adjoining landowners. Five people told us that BLM should not sell any of the public lands. One Colorado rancher told us that he had mixed feelings about BLM's selling the public lands. He preferred that BLM rely on land exchanges for the tracts with grazing leases, particularly if the tracts were large. He agreed that small, isolated tracts could be sold, but directly to the adjoining landowner, not to someone else who would lack access to the property.

Eighteen people told us that gaining access to a tract would be a problem for any buyer who is not an adjoining landowner. Two ranchers from Colorado and Idaho said that they would not give access to a buyer across their land. A county planner in Colorado told us that isolated parcels should be sold directly to the adjoining landowner to avoid access problems.

Twelve people said that BLM's prospects for selling land were good. Five said that the lands BLM identified were in population-growth areas; three said that the economy was improving for land sales; one said that there was a market for good grazing land; and three gave no reason. However, eight people told us that BLM's prospects for selling public lands were not good. They cited either the poor economy or the generally poor condition of the public lands.

Twenty-three people said that the absence of financing assistance from BLM was an obstacle to purchasing BLM land.

However, four individuals said that they did not believe this was a problem. One rancher from Colorado told us that small ranchers might have problems buying public land offered by BLM, but that he would not because he was a large rancher. A real estate broker from Nevada said that it would not be a good idea for BLM to provide financing arrangements (in an effort to improve its chances of selling public lands).

CONCLUSIONS

Not all public land that BLM may identify for sale during its land-use planning process will ultimately be sold. BLM must review under various laws and regulations each proposed sale of public land to identify whether there are any environmental or cultural/historic factors preventing the land from being sold. The outcome of these reviews could lead BLM to decide instead to retain, not sell, the land. BLM may also face a poor market for land that is isolated, remote, or is lacking legal access. BLM's revised land sales regulations to allow buyers a longer period of time to obtain financing and to enable the public to nominate land for sale should improve BLM's sales in the future. Opinions of the five governors and the environmental groups, reflected in the media and during congressional testimony, and of some of the 72 individuals were generally critical of BLM's selling large quantities of land.

LOCATIONS SELECTED FOR REVIEW

<u>State (S.O.)/ district (D.O.)/ resource area (R.A.) office selected</u>	<u>Reason for selection</u>	<u>GAO criteria satisfied^b</u>
Arizona S.O.		
Phoenix D.O.	Diversity of land-use plans.	1
Phoenix R.A.	Large amount of land identified for sale in Asset Management Program.	3
Lower Gila R.A.	Large amount of land to be sold in fiscal year 1983.	4
Colorado S.O.		
Craig D.O.	Land-use plan almost completed, prepared using new planning procedures; diverse land types.	1
Kremmling R.A.	Diverse land types.	1
Canon City D.O.	Problem of mining claims on major portions of BLM land.	2
	Large amount of land identified for sale in Asset Management Program.	3
Idaho S.O.		
Boise D.O.	Diversity of land patterns and land types.	1
Owyhee R.A.	Impact of other land disposal laws on Asset Management Program.	2
Jarbidge R.A.		
Bruneau-Kuna R.A.	Land sale plans.	4
Cascade R.A.		
Nevada S.O.		
Las Vegas D.O.	Diversity of land ownership patterns.	1
Stateline-	Large amount of land identified for sale.	3
Esmeralda R.A.	Only recent BLM land sale experience.	4
New Mexico S.O.		
Albuquerque D.O.	Diversity of land ownership patterns.	1
Farmington R.A.	Diversity of land identified for sale.	3
	Diversity of land-use planning and land patterns.	1
Socorro R.A. ^a	Impact of grazing leases on land sales.	2

^aThe Socorro district office was changed to a resource area office during our review.

^b1. Land-use planning procedures, land ownership patterns, and land types (from concentrated BLM ownership to scattered rural BLM-owned tracts intermingled with non-BLM owned tracts).

2. Major problems expected in preparing land for sale.

3. Amounts and types of land identified for sale.

4. Land sales plans and experience.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

FEB 8 1985

Mr. J. Dexter Peach
Director, General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

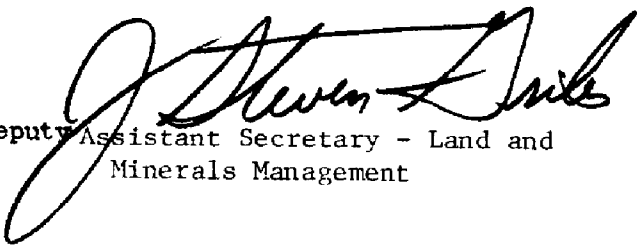
Dear Mr. Peach:

We are pleased to comply with Section 236 of the Legislative Reorganization Act of 1970. This is in response to the General Accounting Office (GAO) draft report entitled The Bureau of Land Management's Efforts to Identify Land for Disposal (GAO/RCED-85-44), with cover letter dated January 7, 1985.

We generally concur with the report, and especially affirm the conclusion (page 26) that the Bureau of Land Management (BLM) is taking steps to improve land use plans as they pertain to the disposal of public land. Supplemental guidance will be issued soon; the items suggested in the report (page 10) will be incorporated into the BLM's planning system.

For the purpose of clarification, we feel that certain findings or observations warrant response. These are summarized in the enclosure.

Sincerely,


Deputy Assistant Secretary - Land and
Minerals Management

Enclosure

BUREAU OF LAND MANAGEMENT (BLM) COMMENTS ON GAO REPORT: The Bureau of Land Management's Efforts to Identify Land for Disposal.

1. Apparent misunderstanding as to the purpose of the BLM's initial inventory finding of 2.7 million acres.

The introduction to the GAO Report states: "In April 1982, Interior's Bureau of Land Management (BLM) reported that, according to its land use plans, it had 2.7 million acres of public land that could be sold."

Comment: The 2.7 million acres were identified by field offices as "potentially suitable for sale." Their instructions on March 16, 1982, (Instruction Memorandum No. 82-309) were to provide a "preliminary estimate of lands that might be suitable for sale." This gross estimate was used for scoping purposes in the earliest stages of the program, and it was never expected to be precise. Moreover, it stemmed only partly from land use plans since identification was to include lands where "transfer is in conformance with existing land use plans or no land use plan exists" (emphasis added). In almost every case, additional field work and environmental assessments would be necessary prior to final decisions as to suitability for sale. These comments also apply to findings on page 11.

2. The BLM was aware from the outset that a portion of the 2.7 million acres were not covered by existing land use plans.

The introduction states: "After further analysis BLM also found that about 1 million (37 percent) of the 2.7 million acres identified for sale were not covered by any land use plans."

Comment: The comments under No. 1 also apply here. Planning Regulations in effect at the time, promulgated in August 1979, provided that if a proposed action was not covered by a Management Framework Plan (MFP), a decision could be made based on an environmental assessment or Environmental Impact Statement (EIS) and review of other data as necessary (43 CFR 1608 (c)). Field offices estimated the number of acres in this category based on knowledge of the public lands under their jurisdiction, and requirements of Section 203(a) of Federal Land Policy and Management Act (FLPMA). All understood that a final suitability determination would have to be made following existing requirements. Also, general realization existed that refinement of the "first cut" to eliminate mining claims, conflicting applications, etc., would effect a sizeable reduction in the 2.7 million figure. These comments also apply to findings on pages ii, 11, 16 and 17.

GAO note: Page references in this appendix have been changed to correspond to page numbers in the final report.

3. Adequacy of the planning base that existed at the time of the initial inventory.

The GAO Report states: "... the plans BLM used to identify land for sale had been prepared before the 1976 act's regulations had been issued, and generally did not meet the act's comprehensive planning requirements for land disposal."

Comment: The report suggests at several points that deficiencies in the treatment of land disposals in MFP's stemmed from the fact that the MFP's were pre-FLPMA and thus did not fully meet FLPMA requirements. We do not agree that the MFP's were not fully in compliance with FLPMA. The position of the BLM and the Department (supported by legal counsel) is that the MFP's, when used after 1979, were and are legally adequate as "FLPMA land use plans."

The lands identified as "potentially" suitable for sale in existing land use plans were intended to be those which had been identified as suitable for disposal and/or not needed in Federal ownership. It is true that most of the acreage had not been specifically identified as suitable for sale; however, it was anticipated that section 203(a) criteria would be applied during subsequent analysis and environmental assessment in the final decisionmaking process. This comment also applies to findings on pages ii, 11 and 12.

4. New supplemental guidance being developed to address land disposal in land use plans.

The GAO Report, on page iii, suggests that the supplemental guidance should instruct field offices to:

- a) "analyze and consider land ownership changes during the planning process,
- b) "consult with state and local governments when identifying land for sale, and
- c) "document land sales decisions in resource area plans."

Comment: We agree entirely with this suggestion that the planning manual contain this guidance. We will address items a & c in the supplemental guidance. Consultation already is a required element of the overall Resource Management Plan (RMP) process, and is dealt with extensively in subparts 1614 and 1615 of the planning manual. Our comment also applies to page 18.

[GAO COMMENT: As discussed on p. 21, we deleted item (b) from the report.]

5. Lastly, we would point out that the BLM streamlined its planning process in 1983 so that RMP's are completed in 2 years rather than the 3 to 4 years as stated on page 7 of the report.

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