
REPORT BY THE U.S.

General Accounting Office

Forest Service's Program To Identify Unneeded Land For Potential Sale Is Stalled

In March 1983 the Department of Agriculture's Forest Service identified about 6 million acres of its 191 million acres for further study to determine if the land was needed or could be made available for sale. The Service was responding to the President's February 1982 Executive Order 12348 asking federal agencies to identify and sell real property no longer needed to meet agency objectives.

Service officials believe that if the land is further studied, substantially less than the 6 million acres would be offered for sale. However, the Service has limited sale authority and has decided not to study the land further for potential sale until its sale authority is expanded. The Congress has stated in legislation that it does not intend to grant additional sale authority until the Service specifically identifies unneeded land.

In a separate effort, the Service is developing land use management plans for each of its forests, but the Service's instructions for preparing the plans do not require the Service to review the 6 million acres identified for further study. GAO recommends that, to help resolve the impasse over direct sale authority, the Service modify its planning effort to review the need for the 6 million acres, develop a specific list of unneeded land, and submit the list to the Congress.



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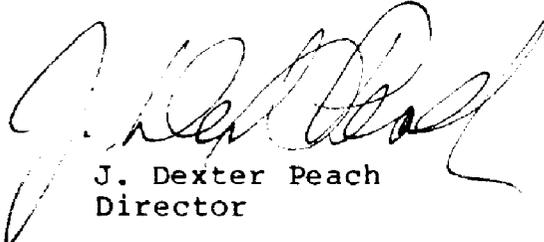
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The Honorable James A. McClure
Chairman, Committee on Energy and
Natural Resources
United States Senate

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 Forest Service's process for identifying
unused/underused land.

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



J. Dexter Peach
Director



D I G E S T

The Department of Agriculture's Forest Service manages 191 million acres of land in the national forest system, including 155 national forests, 220 wilderness areas, 19 national grasslands, 18 wild and scenic river areas, and 11 national recreation areas. These lands provide wood and paper products, oil, gas, water, and a quality environment for outdoor recreation and wilderness activities, as well as habitat for fish and wildlife and grassland for 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. Other anticipated benefits included reduced management costs. Consequently, the Service identified about 6 million acres for further study to determine which specific land tracts were no longer needed and should be made available for sale.

The Chairman, Senate Committee on Energy and Natural Resources, and the Chairman of the Committee's Subcommittee on Public Lands and Reserved Water, expressing concern about implementing the executive order, asked GAO to review four federal land managing agencies' programs to identify and dispose of unneeded land. This report discusses the Service's program for implementing the executive order, including its land management planning process and the problems and costs involved in selling land. GAO plans to issue separate reports discussing the programs of the Corps of Engineers, Department of the Army; and the Bureaus of Land Management and Reclamation, Department of the Interior. (See pp. 1 to 6.)

GAO found that the Service was not determining which tracts of the identified 6 million acres were unneeded because it has limited authority to sell national forest system land. However, the Congress will not consider granting additional sale authority until the Service does identify and study the unneeded lands. In addition, Service officials believe that once

the land is studied, substantially less than the 6 million acres would be offered for sale. (See pp. 10 and 21.)

GAO notes that the Service's ongoing integrated land management planning process¹ offers an opportunity for the Service to further study the identified land. GAO also obtained views from the private sector and local Service officials at four forests--Gifford Pinchot and Mt. Baker-Snoqualmie in Washington and Boise and Caribou in Idaho--on the potential effects of disposing of unneeded land. (See pp. 24 and 30.)

FOREST SERVICE'S PROGRAM TO IDENTIFY
UNNEEDED LAND IS AT A STANDSTILL

The Secretary of Agriculture has limited authority to sell national forest system land. As a result, the Service has taken the position not to prepare sales that cannot be made under existing law and not to proceed with identifying unneeded land until the Congress enacts legislation granting the Secretary greater sale authority.

The Congress has stated that it does not intend to grant expanded sale authority until the Service specifically identifies and studies the unneeded land. According to section 316 of the fiscal year 1984 appropriations act for the Department of the Interior and related agencies, including the Forest Service (Public Law 98-146, Nov. 4, 1983),

"The Congress finds that the Forest Service's proposal of March 15, 1983, to consider six million acres of the national forest for possible sale has met with considerable opposition; and the national forests are an important part of the national heritage of the United States; and the national forests provide and protect important resources; and the national forests provide unique opportunities for recreation; and it is inconsistent with past management practices to dispose of large portions of our national forests. It is, therefore,

¹A land use planning process required by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, for each forest system unit.

the sense of the Congress that it is not in the national interest to grant the authority to sell significant acreage of the national forest until such time as the Forest Service specifically identifies the tracts which are no longer needed by the Federal Government; inventories the tracts as to their public benefit value; provides opportunities for public review and discussion of the tracts; and completes all necessary environmental assessments of such sales."

On July 9, 1984, the Director of the Forest Service Lands Staff said that no further review had been made of the 6 million acres and that unless sale authority is granted by the Congress, the Service does not plan to make any further study. (See pp. 10, 19, 21, and 26.)

SERVICE OFFICIALS BELIEVE MOST
LAND WOULD BE RETAINED

Service officials said that they believed that substantially less than the 6 million acres identified for further study would be offered for sale. However, the specific numbers will not be known until the land is further studied.

To determine how much land might be identified for sale, GAO visited four forests, which contained 170,384 of the 6 million acres originally identified for further study. Forest officials said that they believed that about 16,546 acres, or about 10 percent of the 170,384 acres, would be offered for sale after an intensive study of the resources and uses being made of the land. According to the officials, the remaining acres would probably be retained because the land

- does not cost much to manage and has significant timber resources and animal forage;
- contains important natural and cultural resources, such as archeological sites and animal habitat areas; and/or
- is not readily marketable because of remoteness and the lack of natural resources.
(See pp. 21 to 24.)

PLANNING PROCESS OFFERS OPPORTUNITY
TO IDENTIFY UNNEEDED LAND

The Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, requires the Forest Service to complete integrated forest land and resource management plans for each unit in the national forest system. It also requires the plans to be subject to public review and environmental assessment. The target date for completing the initial plans is September 30, 1985. Thereafter, the plans are to be updated at least every 15 years. At least every 5 years, conditions on the land covered by the plans are to be reviewed. The Service may revise the plans whenever it determines that conditions or demands of the public have changed significantly.

Service instructions state that each integrated plan must include specific guidelines for land ownership adjustments, including purchase and exchange, when considering resource and management needs for each forest unit. The instructions, however, do not discuss how the Service should identify unneeded lands for possible sale nor do they discuss the 6 million acres identified for further study.

A Service official said that review of the 6 million acres for potential sale was not a requirement because integrated forest land and resource management planning was in process before Executive Order 12348 was issued. Some of the data needed to prepare the plans would be similar to the data needed to determine whether the 6 million acres include parcels that the Service does not need. As of July 9, 1984, 118 of the 124 plans were still being developed.

GAO believes that, to the extent possible, the 6 million acres should be reviewed for sale potential when the initial integrated forest land and resource management plans are being developed. At the units where the planning process is completed, or nearly completed, the remaining portion of the 6 million acres could be studied as the plans are amended in subsequent years. At that time the Service could also develop the information the Congress wants and the Congress, if it chooses, could enact legislation granting the Service greater sale authority. Once expanded sale authority

is granted by the Congress, the Service would be in a better position to achieve the expected benefits of Executive Order 12348-- generating revenue, reducing management costs, and attaining better uses of the land.

The Director of the Service Lands Staff told GAO that he doubted that the Service could review all of the 6 million acres as part of the forest plan process before the end of 1985 but that the plans would probably be subsequently amended to incorporate other issues and, at that time, the remaining portion of the 6 million acres could be reviewed. (See pp. 24 to 26.)

VIEWS ABOUT THE LAND SALES PROGRAM

Any sale of Service land potentially affects many parties. For this reason, at the four forests visited, GAO obtained views about the land sales program from local Service officials and nonstatistically selected forest users, including timber company representatives, people with permits to live in cabins on forest lands, and resort operators.

In discussing the potential effect of the sales, local Service officials raised issues similar to those expressed by headquarters officials in discussing why most of the land would be retained. For example, the local officials pointed out that timber resources and animal forage areas would be lost. Eighteen users told GAO that the land identified for further study should remain as part of the national forest system. Two said that they were taking a wait-and-see attitude until the Service identified specific land for sale. Eight users expressed concern about sale terms and whether they would have the first opportunity to purchase unneeded lands. (See pp. 30 to 34.)

RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

GAO recommends that, to help resolve the impasse over direct sale authority between the Congress and the Forest Service, the Secretary of Agriculture direct the Chief of the Forest Service to take the following actions:

- Modify Service instructions on the integrated plans to require forest supervisors to review the need for the 6 million acres

identified for further study. To the extent possible, these reviews should be done while preparing the initial integrated forest and resource management plans or when the plans are amended to incorporate other issues.

- Develop a list of land tracts that should be made available for sale and report the results to the Congress for its use in considering whether to grant the Secretary additional sale authority for Service land. (See p. 29.)

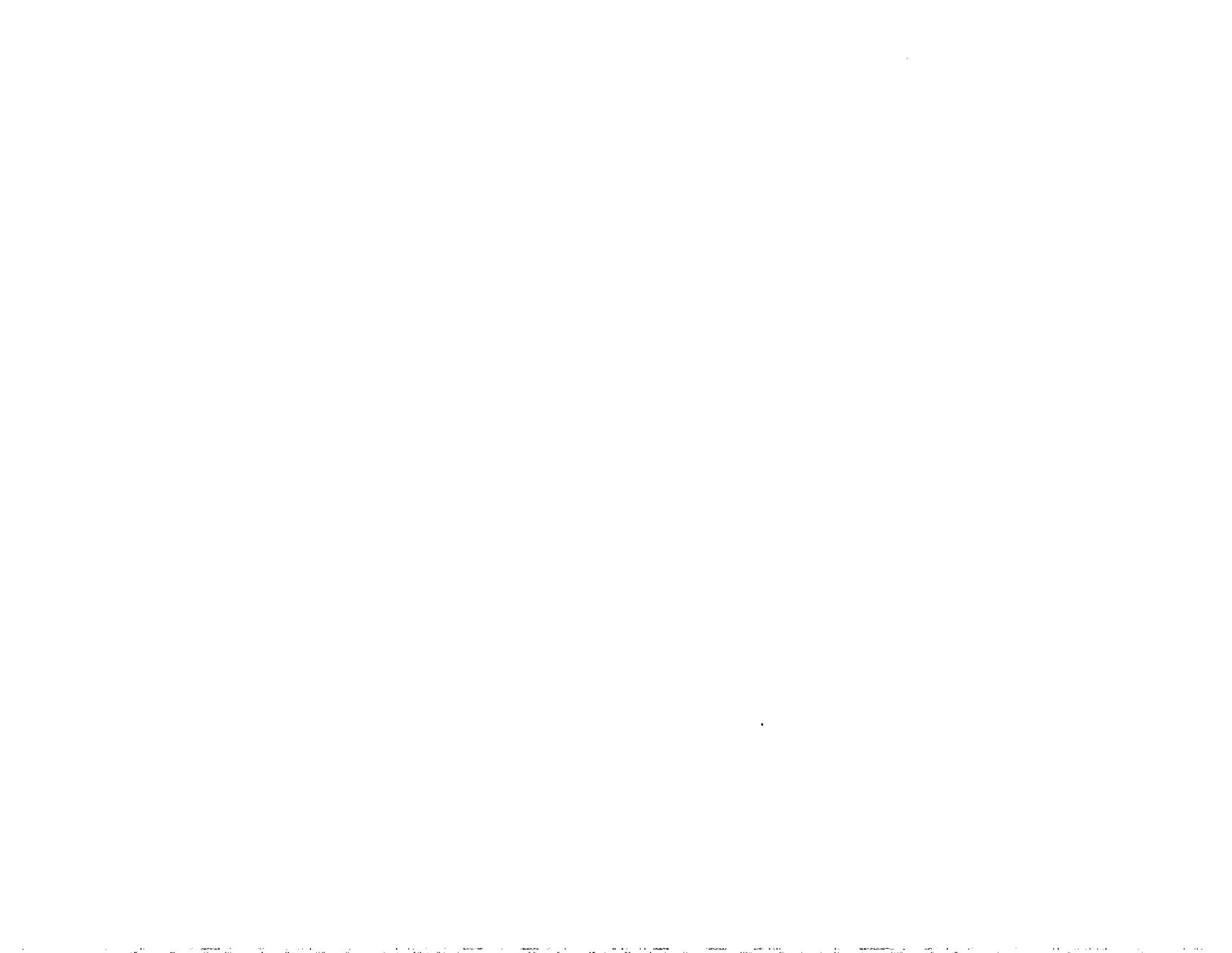
AGENCY COMMENTS AND GAO'S EVALUATION

In commenting for the Department of Agriculture on a draft of this report, the Forest Service pointed out that, in most cases, it would not be possible to further analyze the study areas in the initial development of the integrated forest and resource management plans. The Service said that, where necessary, the analysis would be done by amendment to the plans through the forest planning process and that the analysis should consider retention or disposal, not just sale.

This is consistent with GAO's recommendation, which recognizes that some plans are too far along for the analysis to be done in conjunction with them and that, in such cases, the analysis could be made when the plans are subsequently amended. The Service anticipates that the plans would be amended to incorporate other issues after 1985, and at that time, a review of the unstudied portion of the 6 million acres could be included. Also, GAO agrees that the analysis should consider both the retention and disposal of land. (See p. 29.)

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GAO	General Accounting Office
OMB	Office of Management and Budget



CHAPTER 1

INTRODUCTION

On February 25, 1982, the President signed Executive Order 12348 calling for federal agencies to identify and sell 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. The intent of the executive order was to generate revenues to reduce the national debt. Other anticipated benefits of the order were to permit higher and better uses of unneeded land and reduce management costs. Included under the executive order are lands managed by the U.S. Department of Agriculture's Forest Service.

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 on how the executive order was being implemented, asked us on January 19 and 18, 1983, respectively, to review how the Bureau of Land Management and the Bureau of Reclamation, Department of the Interior; the Forest Service; and the Corps of Engineers, Department of the Army, identify and dispose of unneeded federal land. As agreed with the Chairmen's offices, we will issue a separate report on each agency. This report discusses how the Service identifies unneeded land.

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, or about 75 percent, of all federally owned land. The major land managing agencies and the amount of federally owned land, by agency, are shown in the table on the following page.

<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>	510,499	<u>0.4</u>	69.9
Agriculture:				
Forest Service	192,075 ^a		26.3	
Other Agriculture agencies	<u>397</u>	192,472	<u>0.1</u>	26.4
Defense:				
Corps of Engineers	8,544		1.2	
Other Defense agencies	<u>14,334</u>	22,878	<u>2.0</u>	3.2
Other federal departments and agencies				
		<u>3,972</u>		<u>0.5</u>
Total		<u>729,821</u>		<u>100.0</u>

^aTable 11, Area of National Forests, of the Bureau of Land Management's Public Land Statistics 1983 shows 190,811,268 acres. According to the Assistant Director for Acquisition and Exchange, Forest Service Lands Staff, the majority of the difference applies to Arizona and Idaho. According to him, table 9 overstates the amount of land the Forest Service manages and the Forest Service plans to identify the difference between the two tables before Public Land Statistics 1984 is issued.

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

FOREST SERVICE MISSION AND ORGANIZATION

The Service's overall objective is to properly manage and use the nation's forests and rangelands. National forest system lands provide wood and paper products, oil, gas, water, and a quality environment for outdoor recreation and wilderness activities, as well as habitat for fish and wildlife and grassland for grazing.

To carry out its mission, the Service has three major programs--forest research, state and private forestry, and the national forest system. Service research programs seek better ways to use the forests by developing technology to reduce costs to cut timber, increase the land's productivity, and protect the environment. The Service's state and private forestry programs provide financial and technical assistance (including forest pest

management and fire protection) to state forestry agencies, which in turn deliver technical assistance to private forest landowners and others.

The 191 million acres in the national forest system includes land in 44 states, Puerto Rico, and the Virgin Islands. As of July 25, 1984, management units included 155 national forests, 220 wilderness areas, 19 national grasslands, 19 land utilization projects, 24 research and experimental sites, 18 wild and scenic river areas, and 11 national recreation areas.

Nine regional Service offices oversee the management units. Generally, most units are managed by a supervisor and are divided geographically into districts for day-to-day management.

FOREST SERVICE PROGRAM TO IDENTIFY UNNEEDED LAND

In Executive Order 12348, the President asked federal agencies to identify and dispose of 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, develops and reviews federal real property acquisition, utilization, and disposal policies. To comply with the order, each federal agency established its own Asset Management Program.

The Service initiated its Asset Management Program in August 1982 and in November 1982 classified its 191 million acres into three categories--lands to be retained, lands which could be immediately offered for sale, and lands to be reviewed to determine their suitability for retention or possible sale. The amount of land in each category was as follows:

Category 1--About 51 million acres were to be retained in public ownership, including all congressionally designated areas such as wilderness, wild and scenic rivers, national recreation areas, and national monuments.

Category 2--About 60,000 acres were identified as potentially excess to the needs and objectives of the Service. The Service has existing sale authority for these lands. According to the Service, however, further study is needed to determine how much of the 60,000 acres is actually excess and could be offered for sale.

Category 3--About 140 million acres were identified to be studied to determine their suitability for retention or possible sale.

In November 1982 the Service began to further screen the lands in category 3 to determine which lands should be retained

in public ownership and which should be further studied for possible sale. The Service identified, in March 1983, 6 million acres that would be subject to intensive review for possible sale after the Congress provided expanded sale authority. (See ch. 2.) The other 134 million acres found suitable for retention were added to the 51 million acres in category 1.

The Service then classified the 6 million acres to be further studied into the following three groups.

Group 1--Lands likely to have the broadest base of public benefit and public support for disposal. These lands include unneeded administrative and research sites, land essential for community expansion, and recreational residence tracts. About 133,000 acres were classified in this group.

Group 2--Lands in special-use permit areas for which higher or better public use is not reasonably foreseeable, the sale would not cause undue adverse consequences to nearby retained lands, the permittee has permanent improvements, there is only one permittee, and the use is not a right-of-way. Examples of these lands include ski areas, cabin resorts, and church camp sites. About 33,000 acres were classified in this group.

Group 3--Scattered tracts for which further study is needed to determine if the lands contribute substantially to national forest system objectives and where a change in ownership could be beneficial to federal or nonfederal purposes. Such lands would include scattered, isolated, or checkerboard ownership areas. About 5,922,000 acres were classified in this group.

The table on page 5 shows the states in which these 6 million acres are located.

Acres Identified for Further Study
for Potential Sale

<u>State</u>	<u>Acres</u>
Alabama	57,068
Arizona	134,669
Arkansas	47,089
California	735,137
Colorado	442,323
Florida	5,297
Georgia	130,150
Idaho	186,709
Illinois	68,818
Indiana	13,318
Kansas	15,720
Kentucky	35,554
Louisiana	66,090
Maine	592
Michigan	232,165
Minnesota	236,343
Mississippi	271,081
Missouri	165,415
Montana	872,054
Nebraska	24,132
Nevada	18,004
New Hampshire	1,778
New Mexico	269,702
North Carolina	71,358
North Dakota	239,239
Ohio	63,809
Oklahoma	61,088
Oregon	278,412
Pennsylvania	5,154
South Carolina	23,322
South Dakota	185,332
Tennessee	6,523
Texas	158,905
Utah	141,675
Vermont	19,757
Virginia	47,401
Washington	339,298
West Virginia	42,226
Wisconsin	41,561
Wyoming	334,295
Total	<u>6,088,563</u>

OBJECTIVES, SCOPE, AND METHODOLOGY

The Chairman, 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?

--Was the list of unneeded land that the federal land managing agencies sent to the Property Review Board complete?

--What requirements have to be met before federal agencies can sell land directly?

--What problems have the land managing agencies experienced in directly selling land?

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.

At the Chairmen's request, we reviewed the Service's Asset Management Program at four forests--Gifford Pinchot and Mt. Baker-Snoqualmie in Washington and Boise and Caribou in Idaho. (See p. 9 for a map showing forests visited.) Further, as agreed, we selected a nonstatistical sample of three types of land to review--recreational residence sites; special-use permit sites; and isolated, scattered, or checkerboard ownership lands identified by the Service for further study as part of the Asset Management Program. We were not able to respond to the question on the completeness of a list of unneeded land because the Forest Service had not developed nor submitted such a list to the Property Review Board.

At each forest, we selected one or more examples of each type of land. (The maps on pp. 12 to 15 and pictures on pp. 16 to 18 show the different types of land selected at the forests we visited.) We agreed with the Committee's office that for each type of land, we would review the (1) current land use management plans for the area; (2) problems, costs, and time necessary to prepare the land for sale; and (3) market value estimates for the land. We also agreed to obtain the views of local forest officials, timber company representatives, and users of national forest land concerning the anticipated effects of selling the land.

We did our audit work from March 1983 to October 1984. We reviewed documents and instructions relating to the Service's Asset Management Program. We interviewed Service headquarters officials and field personnel at the regional, forest supervisor, and ranger district office levels. At each forest visited, we (1) reviewed forest maps, (2) examined land photographs, and (3) toured recreational residence sites; special-use permit areas; and isolated, scattered, or checkerboard ownership lands

identified for further study. The field offices we visited and their locations were as follows:

<u>Office</u>	<u>Location</u>
Region 4, Intermountain Region	Ogden, Utah
Boise National Forest	
Forest Supervisor's office	Boise, Idaho
Cascade Ranger District	Cascade, Idaho
Mountain Home Ranger District	Mountain Home, Idaho
Caribou National Forest	
Forest Supervisor's office	Pocatello, Idaho
Malad Ranger District	Malad, Idaho
Pocatello Ranger District	Pocatello, Idaho
Region 6, Pacific Northwest Region	Portland, Oregon
Gifford Pinchot National Forest	
Forest Supervisor's office	Vancouver, Washington
Packwood Ranger District	Packwood, Washington
Randle Ranger District	Randle, Washington
Wind River Ranger District	Carson, Washington
Mt. Baker-Snoqualmie National Forest	
Forest Supervisor's office	Seattle, Washington
North Bend Ranger District	North Bend, Washington
White River Ranger District	Enumclaw, Washington

In addition, we met with a Targhee National Forest representative at the Palisades Ranger District office in Idaho Falls, Idaho. The district office administers certain areas of the Caribou National Forest.

We also discussed the Asset Management Program with a non-statistical sample of the following interested parties: 30 state and local government representatives; 16 realtors; and various users of forest lands, including 9 timber company officials and 34 Forest Service permittees (including recreational residence owners and resort operators). We obtained their views on the effect of selling national forest system lands. (See p. 30.)

We contacted the Office of Inspector General, Department of Agriculture, to determine if it had any work completed or ongoing that concerned the Service's Asset Management Program. According to the Inspector General's Service representative, the Office had not done any work concerning the Service's process for identifying excess lands, and it had not reviewed the requirement for preparing integrated forest plans. (These plans are discussed on pp. 24 to 26.)

In addition, we contacted the Office of Management and Budget (OMB) to determine the status of Agriculture's proposal for greater authority to sell national forest system land. (See p. 20.) We made our review in accordance with generally accepted government auditing standards.

NATIONAL FORESTS VISITED



CHAPTER 2

FOREST SERVICE'S PROGRAM TO IDENTIFY

UNNEEDED LAND IS AT A STANDSTILL

In March 1983 the Service announced that, as part of its Asset Management Program, it had identified about 6 million acres of national forest system land for further study to determine whether any of the lands were no longer needed to accomplish the Service's mission and should be made available for sale. In its announcement, the Service said that its land selling authority was limited and that it would not proceed with any detailed review of the 6 million acres until the Congress enacted legislation granting the Service authority to sell the lands that it might determine should be offered for sale. The Department of Agriculture and the Service jointly developed proposed alternatives in the fall of 1982 to give the Secretary of Agriculture expanded sale authority. The proposed alternatives were submitted to OMB in the fall of 1982, but as of July 9, 1984, none of the proposals had been submitted to the Congress for its consideration.

According to the act appropriating funds to the Service for fiscal year 1984, the Congress does not intend to give the Service greater sale authority until the Service further studies the 6 million acres and develops an accurate list to show which of the 6 million acres are unneeded. As of July 9, 1984, the Director of the Forest Service Lands Staff said that no further review had been made of the 6 million acres. Until the impasse between the Congress and the Service is resolved, the Service's program to identify unneeded land will remain stalled.

Overall land use planning in the Service is directed by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended (16 U.S.C. 1600-1614). According to the act, an initial integrated forest land and resource management plan for each forest system unit should be completed by September 30, 1985. Thereafter, the plans are to be generally updated every 10 years and at least every 15 years. The plans may be revised whenever the Forest Service determines that conditions or demands in the area covered by the plan have changed significantly or when changes in policies, goals, or objectives would have a significant effect on forest land programs. Every 5 years the Forest Service is to review the conditions on the land covered by the plans to determine whether conditions or demands of the public have changed significantly. In implementing the act, the Service specified that an analysis be made of land ownership needs. The Service, however, has not instructed forest supervisors on how the Asset Management Program should be considered in developing integrated forest land and resource management plans.

To help resolve the impasse over the Service's sale authority, the Service would have to review the 6 million acres of land identified for further study, develop a list of unneeded land, and submit it to the Congress. Although the Service could

review the 6 million acres while developing its land use management plans, it is not doing so because of its limited sale authority. By identifying unneeded land and obtaining authority from the Congress to sell land that it does not have authority to sell, the Service could comply with the executive order requiring agencies to identify and dispose of unneeded land. Such sales would generate revenues for the government, the land could be better used, and management costs reduced. Therefore, we believe that to the extent possible, the 6 million acres should be reviewed while the initial integrated forest land and resource management plans are being developed.

LAND IDENTIFIED FOR FURTHER STUDY

In August 1982 the Property Review Board and the Secretary of Agriculture agreed on Agriculture's approach in implementing the administration's Asset Management Program. Subsequently, in November 1982, the Service's regional foresters were asked to determine which national forest system lands in their respective regions should be studied in depth for possible sale and then classify such lands into three groups. (See pp. 3 and 4.) Results of the work were due at headquarters in early January 1983.

The preliminary results of the regional foresters' screening of the 140 million acres of land identified for further study (see p. 3) was discussed at a meeting between the regional foresters' representatives and headquarters staff in mid-December 1982. As a result of this meeting, the Service revised its criteria to obtain a more consistent classification of lands for further study. In a memorandum dated December 21, 1982, the Deputy Chief, National Forest System, instructed the regional foresters that, in grouping the lands, they "should take a mechanical approach . . . and not judge the action at this time." In March 1983 the Service announced that 6 million acres of the 140 million acres being considered were identified for further study.

About 2 percent of the land of the four forests we visited (see pp. 12 to 15) was identified for further study, as shown below. Pages 16 to 18 contain pictures of such land.

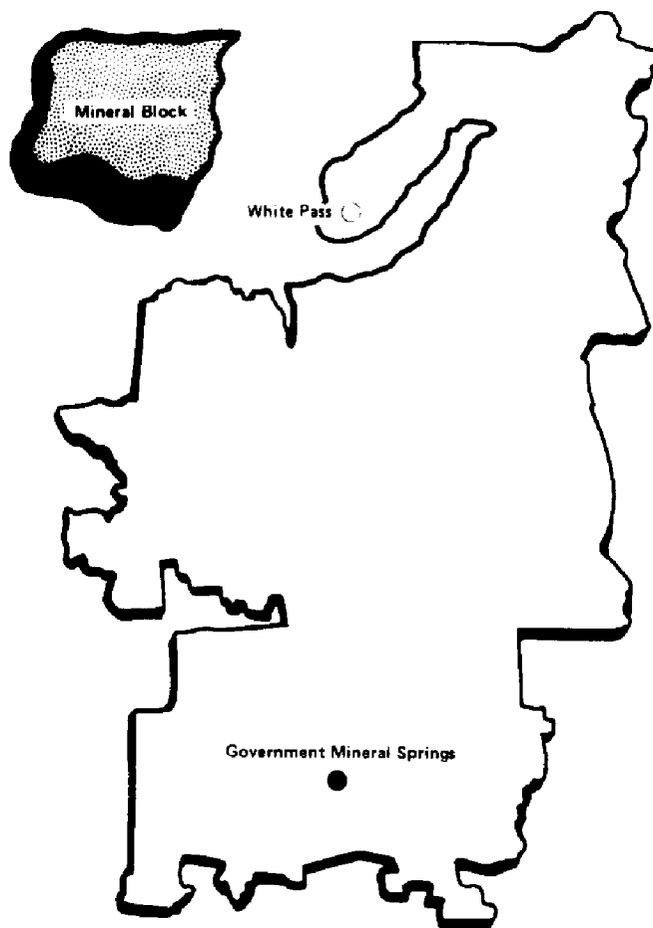
<u>Forest visited</u>	<u>Total acres at forest</u>	<u>Land identified for further study</u>	
		<u>Acres</u>	<u>Percent</u>
Gifford Pinchot	1,252,895	39,691	3.2
Mt. Baker-Snoqualmie	2,506,988	88,624	3.5
Boise	2,645,316	25,497	1.0
Caribou ^a	<u>1,020,519</u>	<u>16,572</u>	1.6
Total	<u>7,425,718</u>	<u>170,384</u>	2.3

^aIncludes the Curlew National Grasslands (47,658 acres), which are administered by the Caribou National Forest.

Gifford Pinchot

In the Gifford Pinchot National Forest, 39,691 acres, or about 3 percent of the forest's total acres, were identified for further study. Over 99 percent of these acres are in isolated, scattered, or checkerboard ownership areas, including over 26,000 acres in one large checkerboard ownership area called the Mineral Block. The area is mountainous and heavily timbered. Local lumber mills use the area as a timber source.

GIFFORD PINCHOT NATIONAL FOREST
Lands GAO Visited That The Forest Service Had
Identified For Further Study

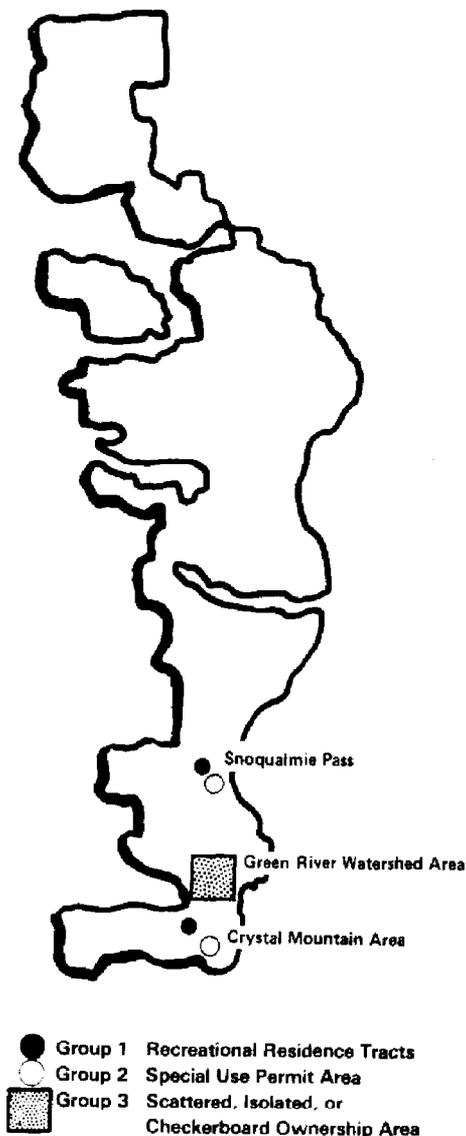


- Group 1 Recreational Residence Tracts
- Group 2 Special Use Permit Area
- Group 3 Scattered, Isolated, or Checkerboard Ownership Area

Mt. Baker-Snoqualmie

Of the 88,624 acres identified for further study in the Mt. Baker-Snoqualmie National Forest, about 77 percent were isolated, scattered, or checkerboard ownership parcels. The largest parcel selected for further study was a 27,800-acre timbered tract on the west slope of the Cascade Range, about 50 miles southeast of Seattle, Washington. The area is characterized by a checkerboard ownership pattern dominated by the Service and a private timber company. Service management of the area covers timber production, recreational uses, and municipal water supply sources.

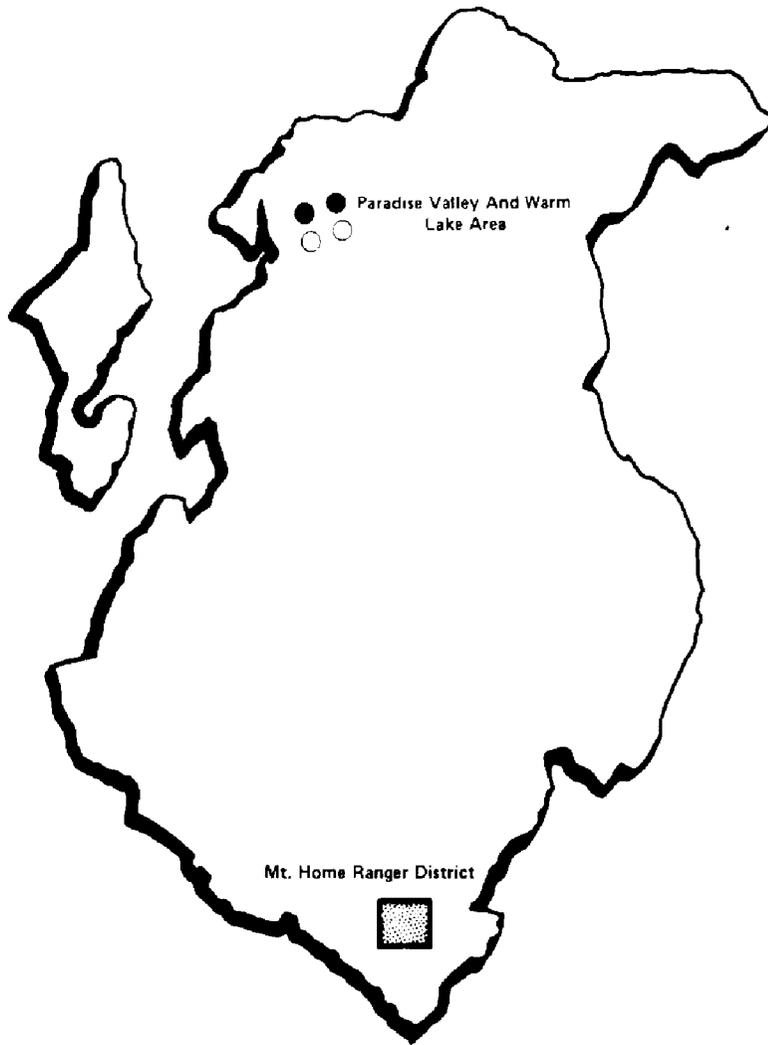
MT. BAKER -- SNOQUALMIE NATIONAL FOREST
Lands GAO Visited That The Forest Service Had
Identified For Further Study



Boise

About 25,000 acres of the 2.6 million-acre Boise National Forest were identified for detailed study. All but about 800 acres of the identified lands were scattered, isolated, or checkerboard ownership areas. One 16,166-acre area is used primarily for grazing purposes.

BOISE NATIONAL FOREST
Lands GAO Visited That The Forest Service Had
Identified For Further Study

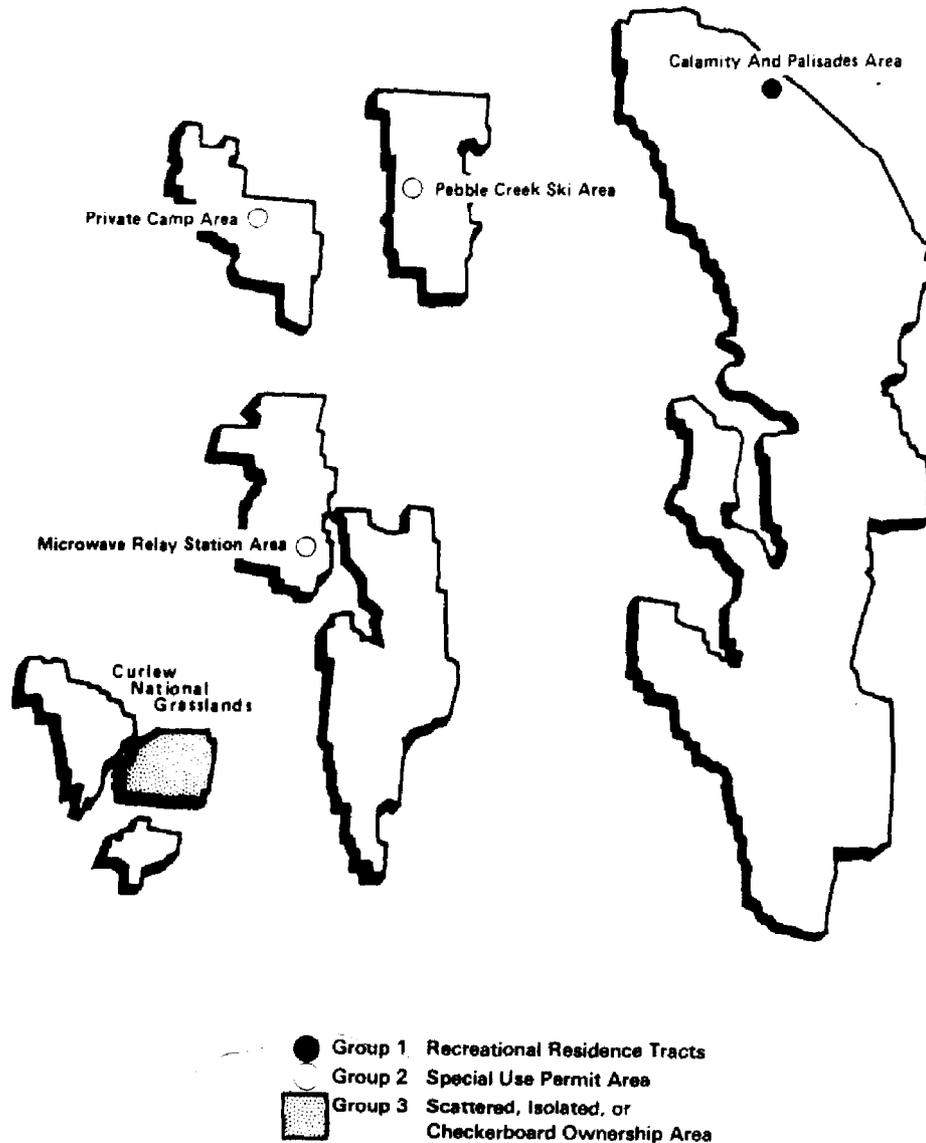


- Group 1 Recreational Residence Tracts
- Group 2 Special Use Permit Area
- Group 3 Scattered, Isolated, or Checkerboard Ownership Area

Caribou

About 16,600 acres, or less than 2 percent, of the Caribou National Forest/Curlew National Grasslands were identified for further study. The Caribou forest supervisor administers the 47,658-acre Curlew National Grasslands in addition to the 973,000-acre Caribou National Forest. About 12,000 of the 16,600 acres identified for further study were located in a large block of the Curlew National Grasslands. The land is primarily rolling grassland used for livestock grazing.

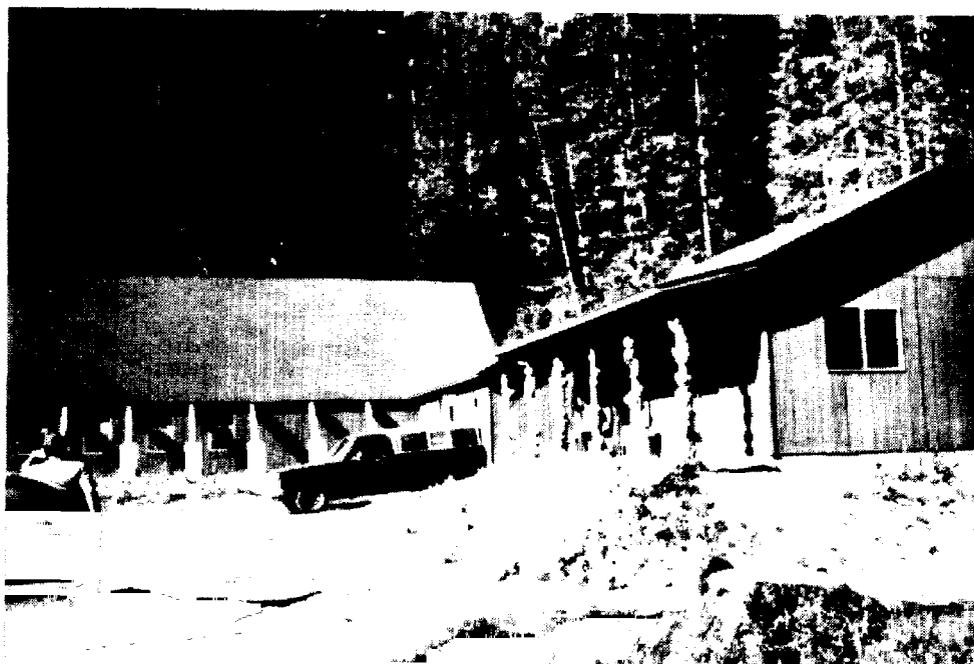
**CARIBOU NATIONAL FOREST AND
THE CURLEW NATIONAL GRASSLANDS**
Lands GAO Visited That The Forest Service Had
Identified For Further Study



Examples of land identified by the Forest Service
for further study



Mt. Baker - Snoqualmie National Forest
(Group 1 - Recreational residence tract)



Girls Camp, Caribou National Forest
(Group 2 - Special use permit area)

**Examples of land identified by the Forest Service
for further study**



**Ski Area, Mt. Baker - Snoqualmie National Forest
(Group 2 - Special use permit area)**



**Timberland, Mt. Baker - Snoqualmie National Forest
(Group 3 - Scattered, isolated, or checkerboard ownership area)**

Examples of land identified by the Forest Service
for further study



**Curlew National Grasslands, Caribou National Forest
(Group 3 - Scattered, isolated, or checkerboard ownership area)**



**Grasslands, Boise National Forest
(Group 3 - Scattered, isolated, or checkerboard ownership area)**

LIMITED SALE AUTHORITY

Historically, Service land has been disposed of primarily by exchanging it for land held by private landowners or state and local governments. Although the Service has no general sale authority to dispose of national forest system lands, certain laws provide limited authority to the Secretary of Agriculture and the General Services Administration to sell selected Service lands.

The principal land sale authorities available to the Secretary for selling national forest system lands are the

- Weeks Law of 1911 (16 U.S.C. 519),
- Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010-1012),
- Townsite Act of 1958 (7 U.S.C. 1012a), and
- Small Tracts Act of 1983 (16 U.S.C. 484a and 521d).

The Weeks Law gives the Secretary authority to sell not more than 80 acres of agricultural land acquired under the law to a homestead settler for agricultural purposes where the land is judged not needed for public purposes. The lands are to be offered for sale at their fair market value.

The Bankhead-Jones Farm Tenant Act authorizes the Secretary to sell certain national forest system lands acquired under this act. Sales may be made only to public authorities and agencies if they use the property for public purposes.

The Townsite Act allows the Secretary to sell national forest system lands to communities where transfer of such land would serve community objectives that outweigh public objectives and federal ownership values. Under this act, the Secretary may set aside and sell to a governmental subdivision an area not exceeding 640 acres for any one application at a price not less than fair market value. Authority is limited to Alaska and 11 contiguous western states.

The Small Tracts Act authorizes the Secretary to sell three types of national forest system land: parcels of 40 acres or less which are interspersed with or adjacent to lands transferred out of federal ownership under various mining laws; parcels of 10 acres or less where encroachment problems exist; and road right-of-ways substantially surrounded by lands not owned by the federal government. In addition, each transaction is limited to a fair market value of \$150,000. Final regulations to implement this act were issued on January 10, 1984, and went into effect on February 9, 1984. According to the Director of the Service Lands Staff, some of the 6 million acres identified for further study might be subject to sale under this act because of encroachment problems.

The Service has rarely used the limited authority the preceding laws provide to sell national forest system lands. Since fiscal year 1980, no land had been sold at any of the forests we reviewed. Also, the only forest system land sales that had occurred since fiscal year 1980 were under the Townsite Act and the Small Tracts Act. From May 1980 through August 22, 1984, about 159 acres were sold for \$396,000 under these two acts. According to the Property Management Group Leader of the headquarters Administrative Services Staff, no forest system land sales had taken place under the Weeks Law and most sales to public agencies under the Bankhead-Jones Farm Tenant Act took place in the late 1950's and early 1960's.

Under the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471-493), the Administrator of General Services may sell land declared excess by the Service outside national forest boundaries. Such sale authority has been used infrequently. Since fiscal year 1980, none of the four forests we visited had disposed of lands through the General Services Administration. From October 1, 1980, through August 21, 1984, 77 acres had been sold by the General Services Administration, according to the Property Management Group Leader of the Forest Service's headquarters Administrative Services Staff.

PROPOSED ALTERNATIVES FOR EXPANDED SALE AUTHORITY

According to Service officials, the Department and the Service jointly developed three alternatives for expanded sale authority of national forest system lands and submitted them to OMB for review in the fall of 1982. The alternatives were as follows:

- Authorize the Service to sell unneeded land subject to congressional approval.
- Authorize the Service to sell unneeded land identified during the forest land and resource management planning process.
- Authorize the Service to sell unneeded land but have separate legislative sale authority for forests in the east and west to reflect the differences in how the forests are managed.

On July 9, 1984, an OMB liaison official to the Forest Service told us that there was no plan to submit any proposed alternatives to the Congress.

CONGRESSIONAL REACTION TO BROADER SALE AUTHORITY

The Congress' reaction to the Service's interest in obtaining broader sale authority was expressed in section 316 of the fiscal year 1984 appropriations act for the Department of the Interior and related agencies (Public Law 98-146, Nov. 4, 1983). The section states:

"The Congress finds that the Forest Service's proposal of March 15, 1983, to consider six million acres of the national forest for possible sale has met with considerable opposition; and the national forests are an important part of the national heritage of the United States; and the national forests provide and protect important resources; and the national forests provide unique opportunities for recreation; and it is inconsistent with past management practices to dispose of large portions of our national forests. It is, therefore, the sense of the Congress that it is not in the national interest to grant the authority to sell significant acreage of the national forest until such time as the Forest Service specifically identifies the tracts which are no longer needed by the Federal Government; inventories the tracts as to their public benefit value; provides opportunities for public review and discussion of the tracts; and completes all necessary environmental assessments of such sales."

This law makes it clear that the Congress would not favorably consider any proposal for greater sale authority until the Service further studies the 6 million acres and develops a specific list of unneeded forest lands. Therefore, if the Service desires greater sale authority, it will have to provide the information the Congress requested.

FUTURE NATIONAL FOREST LAND OWNERSHIP PATTERNS UNCERTAIN

Although the Service had not started a detailed review of the lands identified for further study, Service officials told us that they believed that only a small portion of such lands would be offered for sale. According to officials at the four forests we visited, about 10 percent of the forests' 170,384 acres subject to further study might be offered for sale. (See p. 22.)

We also noted inconsistencies in how the forest supervisors in the two Service regions we visited were identifying unneeded lands in developing integrated management plans as required by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended. Service headquarters did not require any change in the integrated plans after Executive Order 12348 became effective on February 25, 1982.

Most land identified for further study probably would not be sold

Although the Service officials we contacted did not know how many acres would actually be offered for sale, the Director of the Service Lands Staff told us that it would be substantially less than the 6 million acres. He said that many acres would be retained in public ownership because greater public benefits would be achieved if the lands were retained. He added that significant environmental, wildlife, or cultural resources would be found on many lands and that some land would not be marketable.

Officials from the lands staff or the forest supervisor's office at each forest told us that they believed that an intensive study of lands would show that only a small amount of acreage would be offered for sale. In observing lands identified for further study, we noted numerous areas with timber resources; grazing lands; habitat areas of wildlife, including deer, elk, and trout; and numerous outdoor recreation opportunities. The following table summarizes the acres identified for further study and the number of acres from each forest that local officials believed would be offered for sale.

<u>Forest</u>	<u>Acres identified for further study</u>	<u>Local Service officials' estimate of acres that would be offered for sale</u>
Gifford Pinchot	39,691	1,300 (or less)
Mt. Baker-Snoqualmie	88,624	10,080
Boise	25,497	5,000
Caribou	<u>16,572</u>	<u>166</u> (or less)
Total	<u>170,384</u>	<u>16,546</u>

Gifford Pinchot

Officials at Gifford Pinchot National Forest said that they believed that 1,300 acres or less (about 3 percent) of the land identified for further study would be offered for sale. They said that important environmental concerns and the use of the land as a timber resource by timber companies would probably result in the Service's deciding to retain the lands in public ownership.

We toured some of the acres identified for further study and noted that most land was heavily timbered or had been harvested for its timber resources. Also, we noted that, according to the applicable land management plan, the land identified for further study has environmental resources, including fishery resources;

municipal water supply sources; geothermal and mineral resources; and a diversity of wildlife species of elk, deer, and game birds.

Mt. Baker-Snoqualmie

The Asset Management Program Coordinator for the Mt. Baker-Snoqualmie National Forest said that only one tract of land--about 10,080 acres in a checkerboard ownership area--should be offered for sale. He said that the tract requires considerable Service time to manage because the acres are scattered and intermingled with land owned by other federal agencies, state agencies, and private owners. He added that the other acreage identified for further study should be retained because most of the land is relatively efficient to manage, and in his opinion, the benefits of federal ownership outweigh converting the land to private ownership.

We visited some of the lands, other than the 10,080-acre tract, identified for further study. At one ranger district with about 29,000 acres identified for further study, we noted numerous outdoor recreation opportunities, including campgrounds, picnic areas, ski areas, and trails. The district also annually sells about 50 million board feet of timber and provides the domestic water supplies for two major population centers in the state.

Boise

The Asset Management Program Coordinator at the Boise National Forest said that, in his opinion, about 5,000 acres, or about 20 percent, of the land identified for further study would be offered for sale. He said that he believed that many of the acres selected for detailed study would be retained because the land has important environmental, wildlife, or cultural benefits, such as being an archeological site or being used for an animal habitat area. He added that he believed that some of the land offered for sale would not be readily marketable because of its remoteness and lack of resources.

We viewed several areas of land identified for further study in the Boise National Forest. One area was quite mountainous with very little flat land and contained lakes and streams inhabited by trout and serving as important salmon runs. According to the land use plan, the area also has a great variety of big game and bird species. Other areas were used for camping, hunting, and fishing.

Caribou

The Asset Management Program Coordinator at the Caribou National Forest said that, in his opinion, 166 acres or less (about 1 percent) of the lands identified for further study at the forest and the Curlew National Grasslands would be offered for sale. Ranger district officials said that they believed most of the lands identified for further study are not inefficient to

manage. Furthermore, they said that, in their opinion, selling the grazing lands (about 98 percent of the lands identified for further study) would place a financial hardship on ranchers using the lands for forage purposes.

We toured portions of the 16,572 acres identified for further study. Most of the land is covered with sagebrush and grass and is used for cattle grazing. According to the land use plan for the Curlew National Grasslands, the grassland is recognized as an outstanding demonstration of grassland agriculture on submarginal farmland. The plan also said that recreational values, except for rockhounding and hunting, are generally low.

Planning process offers opportunity to review land identified for further study

The Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, requires that an integrated forest land and resource management plan for each forest system unit be completed by September 30, 1985, and that, thereafter, the plans be updated periodically. Six of the 124 plans,² or about 5 percent, had been completed as of July 9, 1984. Of the other 118 plans, 115 are scheduled to be completed by 1985 and 3 are scheduled to be completed after 1985. Each of the forests we visited expected to complete its initial plan by 1985. After the initial plans are developed, they are to be revised on a 10-year cycle or at least every 15 years. The plans may also be revised whenever significant changes occur in the conditions or demands covered by the plan. The conditions or demands in the area covered by the plans are to be reviewed at least every 5 years.

Service instructions for completing the plans state that each plan must include specific guidelines for land ownership adjustments, including purchase and exchange, when considering resource and management needs for each forest unit, according to the Director of the Service Lands Staff. He further said that the instructions do not address how the Service should identify unneeded lands for possible sale because the integrated planning was in process before Executive Order 12348 was issued. He said that preparing integrated plans and assessing which tracts of the 6 million acres should be offered for sale involve collecting similar data. He added that the instructions emphasize adjusting land ownership patterns through land exchanges, not sale of land, because of the Secretary's limited authority to sell national forest system lands.

The Director also said that the process could be revised when the plans are updated, to include the information the Congress desires before it grants the Service additional sale authority. Thus, information such as tracts no longer needed by

²In some cases, a plan covers more than one forest.

the Service, the public benefit of such tracts, public review and discussion of tracts, and environmental assessments of the sales could be included in the planning process. However, the Service does not plan to obtain the information until the Congress grants it additional sale authority.

Although headquarters had not provided guidance on identifying potentially excess lands in developing integrated plans, at least two regions have directed field locations to review the lands identified for further study while developing their plans. The Pacific Northwest Region (Region 6), located in Portland, Oregon, issued an interim directive in January 1982 to assist forest supervisors prepare forest plans. The directive specified criteria for classifying all national forest and pertinent private land within the planning area into the following five groups:

1. Lands where the Congress has either directly or indirectly instructed the Service to retain ownership and acquire nonfederal lands for certain designated purposes, such as national recreation areas and wild and scenic rivers.
2. Lands where the Service has determined a need for a special kind of management or determined that national forest ownership is necessary to meet certain objectives or where the Congress has allocated national forest land for a particular purpose. Examples include special-interest areas and research areas.
3. Lands where management direction has emphasized commodity production. These lands will be available for adjusting land ownership patterns and usually will provide most of the land considered for exchange.
4. Small, isolated tracts of national forest lands that are situated away from contiguous blocks of the national forest and that are costly to administer and contain no special resources. Lands in this group may be used to acquire private land in the preceding three groups.
5. Lands requiring more intensive study and planning before land ownership decisions can be made. Situations warranting intensive study involve lands that are or could be affected by nearby residential community growth and industrial development.

The Region 6 interim directive requires that all lands in Region 6 identified for further study in the Service's Asset Management Program be classified into one of the five groups. Each forest is to then review the lands identified for further study during its integrated planning process to determine which lands are not needed.

In contrast, officials in the Intermountain Region (Region 4) had not developed a similar directive to help forest supervisors address how to handle land identified for further study when they prepare their integrated plans. Officials at the Caribou forest in Region 4 said that even without such instructions, they intended to include such lands in the forest's integrated plan. The forest planner at the Boise forest in Region 4, however, said that as of July 1983, the forest was not considering lands identified during the Asset Management Program while preparing its integrated plan. He added that when lands are specifically identified for sale in the Asset Management Program, the data base for preparing the integrated plan would probably be amended to identify those lands.

On July 9, 1984, the Director of the Service Lands Staff told us that the Service did not intend to develop criteria for identifying excess lands to use in preparing integrated plans until it received expanded sale authority from the Congress defining which unneeded lands may be sold. The Director also said that he doubted that the Service had enough time to further review the 6 million acres in the forest plan process by 1985 but that the plans would probably be subsequently amended to incorporate other issues and, at that time, a review of the 6 million acres could also be included.

ANTICIPATED LAND SALE REQUIREMENTS

Service headquarters and field officials told us that the process to determine the sales potential of the 6 million acres identified for further study would consist of complying with various environmental laws, preparing boundary surveys, and making appraisals to determine fair market values. According to the officials, these activities can be costly and time-consuming.

Environmental laws

Before the Service could sell land, it would have to comply with such laws as the National Environmental Policy Act (42 U.S.C. 4321-4347), the Endangered Species Act (16 U.S.C. 1531-1543), and the National Historic Preservation Act (16 U.S.C. 470). These and other laws protect

- important natural and cultural resources, such as endangered species and historic ruins, which must remain in the federal estate to comply with various environmental laws and
- natural resources on the land, such as timber, animal forage, and minerals, which would be in the public interest to retain in federal ownership.

Service officials told us that they believe that these laws would influence which lands would ultimately be offered for sale.

Officials at Gifford Pinchot National Forest were concerned about the lengthy time that could be required to comply with the National Environmental Policy Act. For the 27,000-acre Mineral Block tract which was identified for further study, forest officials said that they believed that an environmental assessment³ (requiring at least 1 month to prepare) would show a significant environmental impact if the land was sold. Forest officials said that if an environmental impact statement⁴ would have to be prepared, the review could require about 2 staff years.

The Asset Management Program Coordinator at the Boise National Forest also expressed concern about the effort needed to prepare environmental assessments to evaluate the impact that selling land might have on the lands' remaining ability to provide adequate forage for the animals, cultural resources, threatened wildlife, and wetland areas. He said that an environmental assessment could cost about \$25,000 and 3 staff months.

Boundary surveys

At Mt. Baker-Snoqualmie National Forest, ranger district officials expressed concern about the high cost that would have to be incurred to prepare land for sale. One official said that the 131 recreational residence lots at the Silver Springs area would need to have boundary surveys. He said that the lots are on about 49 acres and that a boundary survey would cost about \$9,000 a mile. Forest officials also said that land-use restrictions would have to be established to inform prospective buyers of permissible uses.

Boise National Forest officials also indicated that boundary surveys would be a significant cost in preparing recreational residence sites for sale. They estimated that at one location it could cost as much as \$50,000 to survey 62 lots.

Similar estimates for boundary surveys were provided for large scattered, checkerboard ownership areas. For example, at the Gifford Pinchot National Forest, officials estimated that boundary surveys for the 27,000-acre Mineral Block tract would cost about \$8,000 per mile.

Fair market value appraisals

Service officials had not developed precise estimates of the fair market value of the land identified for further study. They

³A quick evaluation to determine whether any probable significant negative environmental impacts exist.

⁴Requires an in-depth review to determine the extent and type of negative environmental impacts.

said that such estimates would not be made until the land is studied for potential sale.

Service officials also believed that appraisals to determine fair market values would be needed for lands before they can be offered for sale. Fair market value estimates were probably most current for recreational residence sites. At the four forests we visited, recreational residence sites had been appraised by the Service or an appraisal contractor in 1980 or later. The appraisal values ranged from about \$4,000 to \$14,000 for lots generally less than 1 acre.

Officials at Gifford Pinchot National Forest said that the estimated value of the 27,000-acre Mineral Block tract was about \$200 million but that an appraisal would have to be made to determine fair market value. A private timber company official estimated that the value of the tract's timber would be about \$100 million to \$200 million.

Two forests we visited had large areas of grazing land identified for further study. At the Boise National Forest, an official estimated that a 16,000-acre area used primarily for grazing had a market value of \$2 million, or about \$125 per acre. In comparison, the state of Idaho had sold similar grazing land in the area in 1982 for between \$144 and \$245 per acre. Caribou National Forest officials estimated that a 12,000-acre grazing tract at the Curlew National Grasslands was worth between \$100 and \$300 per acre. In March 1983 the state of Idaho sold similar acreage in the area for \$93 to \$187 per acre.

CONCLUSIONS

Beyond identifying about 6 million acres for further study for possible sale, the Service has made minimal progress in implementing its Asset Management Program. The Service has not begun any detailed study of the 6 million acres and has taken the position not to study the land further until the Congress expands the Secretary's authority to sell national forest system lands. The Congress has made it clear, however, that it does not intend to provide greater sale authority until the Service specifically identifies and studies the unneeded tracts. Therefore, if the Service desires greater sale authority, it will need to develop and provide the information the Congress wants.

To help resolve the impasse, the Service would have to review the sales potential of the 6 million acres, develop a list of the land it believes is unneeded, and submit the list to the Congress. To the extent possible, the Service's management units should review the 6 million acres while preparing their initial integrated forest land and resource management plans. In this way, the Service would comply with the executive order to identify land for disposition.

RECOMMENDATIONS TO THE SECRETARY
OF AGRICULTURE

To help resolve the impasse over direct sale authority between the Congress and the Forest Service, we recommend that the Secretary of Agriculture direct the Chief of the Forest Service to:

- Modify Service instructions on the integrated plans to require forest supervisors to review the need for the 6 million acres identified for further study. To the extent possible, these reviews should be done as part of the process of preparing the initial integrated forest and resource management plans.
- Develop a list of land tracts that should be made available for sale and report the results to the Congress for its use in considering whether to grant the Secretary additional sale authority for Forest Service land.

AGENCY COMMENTS AND OUR EVALUATION

In commenting for the Department (see app. I), the Forest Service said that, in most cases, it would not be possible in the initial development of the integrated forest land and resource management plans to analyze the 6 million acres identified for subsequent study. It said that, where necessary, the analysis would be done by amendment to the plans through the forest planning process. This is consistent with our recommendation which recognizes that some plans are too far along for the analysis to be done in conjunction with them and that, in such cases, the analysis could be made when the plans are subsequently amended. The Service anticipates that the plans would be amended to incorporate other issues after completion in 1985, and at that time, a review of the unstudied portion of the 6 million acres could be included.

The Service also said that the analysis should consider retention or disposal, not just sale. We are recommending not that the analysis be limited to sales, but that the Service review all 6 million acres and then develop a list of land tracts that should be made available for sale. Together, the recommendations call for the analysis to consider both the retention and disposal of land.

Additional comments by the Service were generally concerned with updating and clarifying specific facts or statements in the report. We considered these comments and made changes where appropriate. The comments and our responses are shown in appendix I.

CHAPTER 3

VIEWS ABOUT THE ASSET MANAGEMENT PROGRAM

We interviewed officials at the four forests we visited and asked their views about the Asset Management Program. Officials from each of the four forests said that they believed that if lands identified for further study in each of their forests were sold, only minimal staff savings would result. Further, the officials said that there could be adverse effects, including the following:

- Benefits such as timber resources and recreational opportunities could be lost.
- Potential negative environmental impacts such as loss of wildlife and watersheds could occur.
- Land would no longer be available for future exchanges to consolidate national forest lands.
- Increased management problems, such as control of trespassing, might result because of a greater checkerboard ownership pattern if all lands offered for sale were not sold.

Our interviews with nonstatistically selected permittees, timber company representatives, and other users of national forest lands indicated concerns about the sale of forest lands. Some said that the land identified for further study should remain part of the national forest system. Others said that they were taking a wait-and-see position until the Service specifically identifies which lands are offered for sale. Some permittees expressed concern about what the sale terms would be and whether they would have an opportunity to purchase the land before it was offered to the general public. A timber company representative said that if timber lands were offered for sale, there should be a provision for purchase by smaller timber companies.

LOCAL FOREST OFFICIALS' VIEWS

Officials at the four forests we visited said that they believed that the disadvantages would outweigh the advantages of selling most land in their forest identified for further study. However, these officials did not know how much revenue would result from such sales. Because the Service was not proceeding with the Asset Management Program and generally studies were not being made to identify unneeded land, we did not determine the validity of the forest officials' views.

Minimal staff savings

Officials at each of the four forests said that most of the land identified for further study did not cost much to manage and

that, if the land was sold, about the same size staff would be required for the remaining land. For example, the North Bend district ranger at the Mt. Baker-Snoqualmie National Forest said that he believed that if the 27,800 acres of scattered, isolated, or checkerboard ownership national forest land in his district were sold, the district office could save only 2 to 3 staff years annually. In addition, according to the district ranger, only about 1.5 staff years could be saved at the forest if all recreational residence sites were sold. The district had 33 full-time employees as of August 1983.

A Boise National Forest official said that he believed that there would be no staff reductions if the 16,166 acres of grazing land (out of the 25,497 acres identified for further study) was sold to private owners. An official from the Gifford Pinchot National Forest's Wind River Ranger District said that, in his opinion, about 10 staff days could be saved annually if 45 recreational residence sites were sold. At the same forest's Randle Ranger District, officials said that they believed that if the 27,000-acre Mineral Block tract was sold, there could be a reduction of 4 or 5 staff members out of 43 full-time employees and additional part-time and summer employees.

Loss of benefits

Forest officials said that benefits from national forest land might be lost if such lands were sold to private owners. For example, the North Bend district ranger at the Mt. Baker-Snoqualmie National Forest said that if the 27,800-acre tract in a checkerboard ownership area of the forest (see p. 13) was sold to private owners, the forest would lose timber resources and the public could lose access for recreational opportunities. According to the district ranger, from 1977 through 1982, about 62 million board-feet of timber, valued at \$14 million, was sold from the 27,800-acre area. The ranger also stated that about 35,000 visitors annually use the 27,800-acre area for recreational purposes. The Asset Management Program Coordinator at Gifford Pinchot also said that there probably would be less public access for recreational uses if the 27,000-acre Mineral Block tract was sold.

Potential environmental impact

Some forest officials said that adverse environmental impacts could occur if certain lands were sold. The 27,800-acre tract identified for further study in the Mt. Baker-Snoqualmie National Forest contains black bear, deer, mountain goats, and elk. The district ranger said that wildlife resources might be lost if such lands were sold to private owners. The Asset Management Program Coordinator at the Gifford Pinchot National Forest also said that he believed that if the Mineral Block tract was sold to private timber companies, the companies would place a lower priority on watershed and wildlife resources unless the land was sold with protective covenants.

Loss of land for exchange purposes

Lands in several of the large tracts we reviewed had been and were being used for land exchange purposes. For some time the Service has exchanged lands with other landholders to consolidate Service holdings within forest boundaries to more efficiently manage the national forest system. Each land exchange must, among other requirements (1) be in the public interest, (2) be equal in fair market value, and (3) comply with all laws, regulations, and applicable executive orders.

Some forest officials told us that they would prefer to retain tracts of land identified for further study and use the tracts for possible future exchange with other government agencies or private landholders. The North Bend district ranger at the Mt. Baker-Snoqualmie National Forest said that he believed that the 27,800-acre tract identified for further study should not be sold but should be retained to be used to exchange with private or state lands to better consolidate the forest boundaries. He said that, for some time, portions of national forest land in that area had been used for land exchanges. In the past, portions of the Mineral Block tract in Gifford Pinchot National Forest had been used for land exchanges with private landowners to consolidate holdings within the forest. The Forest's Lands Staff supervisor said that if the Mineral Block tract was sold, the land base for exchanges would be greatly reduced.

Potential increased management problems

Officials at the four forests said that they believed that if only portions of the lands were sold, increased Service management problems could result because of an increase in the checkerboard ownership pattern of small private tracts. They said that they believed that such a scattered ownership pattern of small private tracts would cause "pockets" of private land in national forests and more trespass problems, as well as inefficient and more complicated management of national forest system lands. For example, the Boise National Forest Asset Management Program Coordinator told us that selling only a portion of the recreational residence sites surrounding Warm Lake would cause management problems for the Service. In his opinion, increased trespass and boundary disputes would occur and management responsibilities for the lake would be more confusing.

FOREST USERS' VIEWS

Permittees and other users of national forest lands also told us of concerns about the potential sale of certain national forest land. We met with 34 Service permittees, including recreational residence owners, resort operators, ski-area permittees, and church camp officials. We also interviewed nine timber company officials.

Eight users of Service resources that we contacted told us that they desired additional information about the probable sales

price, sale terms, and the right to acquire the property before it would be offered to the general public. Eighteen permittees said that the lands should remain as national forest system lands. Two permittees told us that they were generally taking a wait-and-see approach until the Service provides further data on specific lands offered for sale.

At the four forests we visited, annual residence permit fees ranged from \$135 to \$600. Some recreational residence permittees at Mt. Baker-Snoqualmie National Forest and Gifford Pinchot National Forest told us that they were concerned about the financial ability of permittees to acquire the sites on which they had built houses. A similar-type permittee at the Boise National Forest told us that he wanted the Service to retain the present permit status to properly manage the land rather than offering the land for sale. He said, however, that if the Service offered his site for sale, he would like the opportunity to purchase it before it was offered to the general public. Some recreational residence site permittees at the Gifford Pinchot National Forest made similar comments. Some also said that they were concerned about who would be responsible for road maintenance once the land was sold.

Special-use permittees expressed concern about the sale terms for the permit sites. Some permittees said that their interest in buying the land would depend on the selling price, the extent to which covenants may be placed on land use, and whether they would have first option to purchase the land. Ski-area permittees said that they would like the Service to continue to manage their permit sites because the permittees preferred the low annual fees compared with the significant investments that would be required if they had to purchase the sites.

Some permittees using grazing land at two large parcels of land identified for further study at the Idaho forests we visited expressed concern that the Service may want to sell the grazing lands. Five ranchers using a 12,000-acre grassland tract in the Curlew National Grasslands told us that they would prefer that the Service retain management of the land. They said that existing grazing land is being used at maximum capacity and that they believed that if the land was sold, there would no longer be enough grazing areas to support their livestock operations. Also, the five permittees said that they feared that if the Service offered the land for sale, they would be financially unable to purchase the land and that land speculators or corporations outside the local area would acquire the land and either not properly manage it or remove it from grazing use. The Service's district ranger for the area believed that selling the land could force some ranchers out of business and others to significantly reduce livestock operations.

Seven permittees using part of the 16,000 acres of grazing land in the Boise National Forest also told us that they preferred that the Service retain management of the area. They said that if some or all of the land was sold to other than current

permittees or ranchers, increased commercial development could occur resulting in less grazing land, road access problems, a need for more fencing, and some ranchers being forced out of business.

The possible sale of timbered areas identified for further study in the two forests we visited in Washington also caused concern among the lands' users. For example, an official from a small timber company that relies on timber from the 27,000-acre Mineral Block tract administered by the Gifford Pinchot National Forest said that if the land was offered for sale without any provision for purchase by smaller companies, then he would prefer that the land remain in national forest status so that smaller companies could still have a supply source. According to the Asset Management Program Coordinator and the Lands Staff supervisor at the Gifford Pinchot National Forest, selling the land would reduce by 15 percent, or about 16 million board-feet, the applicable forest district's annual timber harvest and could force some local small mills to find other timber sources. Other timber industry representatives told us that although they had no interest in purchasing any of a 27,800-acre tract identified for possible sale in the Mt. Baker-Snoqualmie National Forest, they believed that the Asset Management Program should include land exchanges and not just land sales.



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1420 GAO Audits

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Subject GAO Draft Report RECED-84-160 "Forest Service's Program to Identify Unneeded Land for Potential Sale is Stalled"

To J. Dexter Peach, Director
Resources, Community and Economic
Development Division
General Accounting Office
Washington, D.C. 20548

Forest Service's comments on the Draft GAO Report are as follows:

1. Page i (Digest), second paragraph: In E.O. 12348 the President talked about real property, not land. While OMB said sales revenues would be used to reduce the national debt, the E.O. said only ". . . to improve management of Federal real property."

[GAO COMMENT: Although real property includes land, Executive Order 12348 does not refer to land specifically. Accordingly, we revised our discussions of Executive Order 12348 where appropriate. Although the executive order does not mention the national debt, the President said in a June 16, 1982, statement that:

"Last February, I signed an Executive order that will help meet this goal [improved management of federal property] by establishing a Property Review Board at the White House to oversee Federal property sales. . . . We intend to take the proceeds from property sales and place them in a special account in the Treasury--an account that will be used exclusively to offset the national debt."

We revised the report to show that the executive order did not specifically mention the national debt.]

2. Page iii, full center paragraph: The last sentence about the third legislative alternative is inconsistent with the third item on page 20.

[GAO COMMENT: We deleted the list of alternatives from the digest.]

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

3. Page 1, first paragraph: Two points of clarification; (1) National Forest lands are excluded from the 1949 Act (Federal Property and Administrative Services Act, 63 Stat. 377), and (2) Executive Order 12348 does not use the word "land" and does not state in any way that the effort was ". . . to generate revenues to reduce the National debt."

[GAO COMMENT: We revised the report to eliminate any implication that the 1949 act applied to lands reserved or dedicated for national forests. We also added a statement that Executive Order 12348 applied to Service lands. The agency's second point was addressed in our first comment.]

4. Page 2: Suggest using Forest Service acreage of 190,839 (000) per Table 11 of BLM's Public Land Statistics, 1982. The GAO Report uses figure in Table 9, which is incorrect.

[GAO COMMENT: We updated the report to reflect data available in the Bureau of Land Management's publication, Public Land Statistics 1983. We used table 9 so that the information describing federal ownership of land in this report would be consistent with that in separate reports we are planning on the Corps of Engineers, Bureau of Land Management, and Bureau of Reclamation. Table 11 of Public Land Statistics 1983 shows only national forest land. In other places in the report, we use the 191 million figure from table 11 rather than the 192 million figure from table 9 because the Service said that the 191 million figure was correct. We footnoted the discrepancy between the two figures on page 2 of this report.]

5. Page 3, fifth paragraph, and "Category 2": The only portion of the 60,000 acres (or any other lands) identified as excess is the less than 60 acres of excess administrative sites reported to GSA. See September 28, 1982, Statement by John B. Crowell, Jr., as support; also September 2, 1982, letter to Chairman Seiberling from Richard E. Lyng, Acting Secretary.

[GAO COMMENT: We revised the report to show that the 60,000 acres were initially identified as potentially excess and that further study would be needed to determine the acres that could actually be declared excess and offered for sale.]

6. Page 11, top partial paragraph: Revenues from sales cannot be used to reduce national debt because authority has not been provided by Congress.

[GAO COMMENT: We revised the report in line with the Service's comments.]

7. Page 11, Table: Some of the figures in this table are not the same as our figures of June 10, 1983. Corrected figures are:

<u>Forest</u>	<u>Total Acres</u>	<u>Further Acres</u>	<u>Study Percent</u>
Gifford Pinchot	-	39,691	3.2
Mt. Baker-Snoqualmie	-	88,624	3.5
Boise	-	-	-
Caribou	<u>1,020,519</u>	<u>16,572</u>	
Total	7,425,718	170,384	2.3

[GAO COMMENT: The acreages included in the draft of this report were as of March 15, 1983, the date the Service first publicly identified the 6 million acres to be further studied for possible sale under its Asset Management Program. We revised the report to show the Service's June 16, 1983, corrected figures for the four forests we visited.]

8. Page 24, second full paragraph: In the last sentence, plan may be revised whenever there are significant changes in conditions or demands. Conditions on the land covered by the plans will be reviewed at least every 5 years. (36 CFR 219.10(g)).

[GAO COMMENT: We revised the report in line with the Service's comments.]

Page 28,

9. fourth paragraph: In the last sentence, revenues cannot help reduce the national debt because there is no authority for this. Also, the Administration is emphasizing management improvement rather than revenue generation.

[GAO COMMENT: Sentence has been deleted here. Also page 11 has been revised--see comment 6.]

10. Pages v, vi, and 29, Recommendations: In most cases it will not be possible to analyze further study areas in the initial development of Forest Plans. Where necessary, this analysis will be done by amendment to the Forest Plan through the forest planning process. Any analysis, however, should consider retention or disposal, not just sale.

[GAO COMMENT: See our evaluation on page 29.]

F. Delli Robertson
61. R. MAX PETERSON
Chief

cc: OIG, Room 400E
L, LMP



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