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SENATE

{ REPORT
104-196

EXCHANGE OF CERTAIN LANDS IN GILPIN COUNTY, COLORADO

DECEMBER 21, 1995.—Ordered to be printed

Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

REPORT

[To accompany H.R. 2437]

The Committee on Energy and Natural Resources, to which was referred the Act (H.R. 2437) to provide for the exchange of certain lands in Gilpin County, Colorado, having considered the same, reports favorably thereon without amendment and recommends that the Act do pass.

PURPOSE OF THE MEASURE

The purpose of H.R. 2437 is to provide for the exchange of certain lands in Gilpin County, Colorado.

BACKGROUND AND NEED

H.R. 2437 would authorize an equal-value exchange under which the United States would transfer approximately 300 acres of Bureau of Land Management (BLM) managed public lands near the city of Black Hawk, in Gilpin County, Colorado, to a named company, which would transfer to the United States specified lands, amounting to approximately 8,739 acres, elsewhere in Colorado.

The Gilpin County lands are 133 parcels, ranging from 38 acres to 0.01 acre; 90 parcels are less than one acre. They were originally acquired by the United States from France in the Louisiana Purchase. From extensive gold discoveries, the area is crisscrossed with patented mining claims; the 133 parcels are intermingled fragments that are essentially unmanageable, and have been identified as suitable for disposal by BLM. However, the United States cannot readily realize their fair-market value through normal BLM disposal procedures because of the high costs of surveys and other

necessary administrative expenses. H.R. 2437 is intended to enable the United States to realize the fair market value by the acquisition of designed lands.

The lands identified for acquisition by the United States included about 40 acres within the Rocky Mountain National Park, nearly 4,000 acres in Conejos County, and about 4,700 acres (known as Bonham Ranch) intermingled with BLM-managed lands along Cucharas Canyon in Hefano County, Colorado.

LEGISLATIVE HISTORY

H.R. 2437 was reported by the House Committee on Resources on November 6, 1995. The Senate Subcommittee on Forests and Public Land Management held a hearing on November 7, 1995, on S. 985, a companion measure to H.R. 2437 introduced by Senator Campbell and Senator Brown.

At the business meeting on November 30, 1995, the Committee on Energy and Natural Resources ordered H.R. 2437 reported without amendment.

COMMITTEE RECOMMENDATIONS AND TABULATION OF VOTES

The Committee on Energy and Natural Resources, in open business session on November 30, 1995, by an unanimous voice vote of a quorum present, recommends that the Senate pass H.R. 2437 without amendment.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of costs of this measure has been provided by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 2, 1995.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 2437, a bill to provide for the exchange of certain lands in Gilpin County, Colorado, as ordered reported by the House Committee on Resources on October 25, 1995. CBO estimates that enacting H.R. 2437 would not significantly affect the federal budget. Since the bill could affect offsetting receipts, pay-as-you-go procedures would apply. However, we estimate that any increase in offsetting receipts would be less than \$500,000 annually. Enacting H.R. 2437 also would have no significant effect on the budgets of state and local governments.

H.R. 2437 would authorize the Department of the Interior's Bureau of Land Management (BLM) to transfer approximately 300 acres of land in Gilpin County in exchange for about 8,730 acres in Larimer County, Conejos County, and Huerfano County, Colorado. The exchanges are to be of equal value. According to BLM, the parcels of federal land to be transferred are intermingled with private property and have no significant value for grazing, mineral development, or recreation. In exchange, BLM would receive par-

cels located within the Rocky Mountain National Park, within and adjacent to BLM's San Luis Resource Area, and within BLM's Royal Gorge Resource Area. The agency expects no significant increase in offsetting receipts as a result of acquiring this land.

Based on information from BLM, we estimate no significant increase in discretionary costs to manage the additional acreage after the transfer because the currently held land has incurred significant costs from occupancy trespasses on the parcels. Thus, the agency expects lower per acre management costs on the land to be acquired with no significant effect overall on discretionary spending. The bill could affect payments in lieu of taxes, which are discretionary costs based in part on the number of federally owned acres in a county, but we expect no significant impact on such payments as a result of enacting this bill.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Victoria V. Heid.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, *Director*).

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out H.R. 2437. The Act is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individual and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of H.R. 2437, as ordered reported.

EXECUTIVE COMMUNICATIONS

On December 11, 1995, the Committee on Energy and Natural Resources requested legislative reports from the Department of Agriculture and the Office of Management and Budget setting forth executive views on H.R. 2437. These reports had not been received at the time the report on H.R. 2437 was filed. When these reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The following was received on S. 985, a companion bill to H.R. 2437:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, November 6, 1995.

Hon. LARRY CRAIG,
Chairman, Senate Subcommittee on Forests and Public Land Management, Energy and Natural Resources Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We have reviewed S. 985 and offer the following comments.

S. 985 provides for an exchange of land between the Bureau of Land Management and Lake Gulch, Inc., a Colorado Corporation. Under the bill, the Bureau of Land Management would convey over

one hundred small parcels of public lands in Gilpin County, Colorado to Lake Gulch, Inc. In exchange for these public lands, Lake Gulch, Inc., would convey three parcels to the Federal Government; 40 acres within Rocky Mountain National Park, the Quinlan Ranch in Conejos County, Colorado, and the Bonham Ranch in Huerfano County, Colorado.

The intent of S. 985 is supported by the National Park Service, the Bureau of Land Management and the exchange proponent, Lake Gulch, Inc. The lands to be acquired by the United States offer significant public resource values while the lands to be conveyed into non-Federal ownership can be more effectively developed and utilized for local community needs.

This legislation would expedite the proposed exchange by allowing the transfer of public lands without survey. We generally support current requirements that all lands leaving Federal ownership must be surveyed. This case, however, is unique in that the public lands to be conveyed consist of numerous small and isolated parcels surrounded by private lands. Furthermore, the proponent has agreed to accept the public lands without survey.

Present law requires the BLM to deposit into the general fund cash equalization payments made by the exchange proponent in cases where the Federal land values exceed that of the offered non-Federal Lands. S. 985 provides for the use of any cash equalization payments received by the BLM as part of this transaction to be used to acquire critical interests in the Blanca Wetlands in Alamosa County, Colorado. The use of these receipts would constitute direct spending under the pay-as-you-go provisions of the Omnibus Budget Reconciliation Act. Consequently this provision should be modified to avoid pay-go cost.

Additionally, the legislation allows the lands acquired within Rocky Mountain National Park to become a part of the park without additional action to by Administration or the Congress.

Finally, the bill holds the United States harmless for subsequent activities conducted by Lake Gulch, Inc., including the storing, handling and dumping of hazardous wastes on the acquired public lands. We are, however, unclear as to the type of liability contemplated and would like to see the bill be more specific.

Although we generally support the concept of S. 985, there are two provisions within Section 3 of the bill that need revision. Section 3(a) should recognize the value of comparable sales especially where lands with mineral potential are involved. We suggest adding the words, "comparable sale of surface and subsurface property and" before the word nationally on line 12. We would be glad to work with you on that wording.

Section 3(b) provides for a covenant in the patent to eliminate gaming as a future use of public lands conveyed. The United States has no interest in controlling gaming on lands in Colorado. We suggest that the State and local laws through zoning would be more appropriately used to control gaming on these lands.

Thank you for the opportunity to comment on S. 985. Please let me know if you need additional information.

Sincerely,

BOB ARMSTRONG,
*Assistant Secretary for
Land and Minerals Management.*

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the Act H.R. 2437 as reported.

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