FEDERAL REAL PROPERTY: INVENTORY AND DISPOSAL INITIATIVES

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AUTHOR:

Malcolm Simmons

Environment and Natural Resources Policy Division

Pamela Baldwin

American Law Division

Keith A. Bea

Government Division

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ISSUE DEFINITION

Although current laws provide for the inventory and disposal of public lands and other Federal property, for many years the Federal Government has operated under a statutory policy of retaining public domain lands and has disposed of the proceeds from the sale of surplus property other than by the reduction of the national debt. Under the present system, the Government disposes of some types of land when it is determined to be surplus to Government needs, or, in the case of public lands, when it is determined that the national interest would best be served by the sale or exchange of particular tracts of land.

The Reagan Administration and Members of Congress have proposed a significant change in policy. They urge that the Federal Government vigorously inventory its holdings of land, buildings, and facilities; assess the current value of this real property; and sell the property no longer needed at fair market value. This proposal would enable corporations and private citizens to acquire more Federal lands and property and also would rescind the discounts of up to 100% which State and local governments and nonprofit organizations presently receive on surplus real property used for certain purposes. The Administration has established a Property Review Board to coordinate the identification and disposal of surplus properties. Some of the many questions raised by the proposal include: Which Federal lands and properties would be targeted for sale? What are these lands really worth? On what scale would the benefits of selling Federal real property justify the costs? What legislation is needed to implement elements of the new policies?

The only significant action of the 97th Congress affecting disposal of real property was the imposition of requirements which must be met before Interior Department agencies may dispose of tracts of land. These requirements, effective for FY83, are contained in P.L. 97-394, the FY83 Interior Department appropriations enactment, and P.L. 97-276, the first continuing resolution. The requirements include official agency determination that it does not need a particular tract, determination of the public benefit values of the tract, and proper notification of the proposed tract disposal.

BACKGROUND AND POLICY ANALYSIS

Location and Use of Federal Real Property

Approximately 750 million acres, located mostly in the 11 far westernmost contiguous States, plus Alaska, are owned by the Federal Government. The pattern of Federal land ownership in the United States is depicted in the table below. Federal real property can be divided into three categories -- land, buildings, and structures/facilities.

PERCENTAGE OF LAND OWNED BY THE FEDERAL GOVERNMENT
IN THE UNITED STATES (by region)

Region	Acres (in millions) Federally owned	Total in States	Percent federally owned
Alaska	333.4	365.5	91.2%
Western	358.9	752.9	47.7%
S. Atlantic, Central, D.C.	28.9	561.2	5.1%
Northeastern, N. Central	22.3	587.6	3.8%
Hawaii	0.6	4.1	14.6%
TOTAL	744.1	2,271.3	32.7%

Source: General Services Administration.

More than half of federally owned land is utilized for forests and wildlife. Other major uses include grazing (21.8%), parks and historic sites (9.2%), and military/ airfields (2.6%). As of the end of FY79, the Interior and Agriculture Departments together owned 710.7 million acres, or 95.5 percent of all federally owned land. Much of this land is "public domain" or "public" lands. These are lands that were acquired by the Federal Government without first having been owned by a State or a private individual (the Louisiana Purchase, for example). The nearly 340 million acres of unappropriated land which has not been set aside for a specific public purpose or program (a national wildlife refuge, for example), and which therefore is subject to disposition under the operation of all public land laws, is the responsibility of the Bureau of Land Management (BLM). These lands, plus 187 million acres administered by the Forest Service, are managed for multiple-use/sustained yield (i.e., harmonious, coordinated management of all resource values on large areas of land and the best combination of diverse land uses, both protective and developmental, to assure a permanent flow of resource values).

Different laws apply to Federal lands that are "public lands," and those that are "acquired" lands. "Acquired" lands may be defined generally as those purchased by the Government from a State or person for a particular use or purpose. While public lands are disposed of by BLM typically under the provisions of the Federal Land Policy and Management Act (FLPMA) of 1976, "acquired" lands typically are disposed of by the General Services Administration (GSA) under the provisions of the Federal Property and Administrative Services Act of 1949.

Land Disposal Policy -- Past and Present

There are precedents to the sale of large amounts of Federal land. The primary goal of early public land policy, as the nation acquired vast new territories, was the transfer of land from public to private ownership to encourage settlement and economic growth as the Nation expanded westward. During its first 130 years, the Federal Government divested itself of over half of its nearly 1.5 billion acres. Toward the end of the 19th century, however, a reaction against abuses of the disposal laws, among other things, led to a shift in public land policy to one of conservation and permanent retention of some lands as federally owned public lands. The land which remained, after lands valuable chiefly for timber, minerals, and crops had been claimed by settlers or reserved as forest parks, was essentially useful only for grazing and was neglected over the years. Increasing deterioration of this land eventually prompted Congress in 1934 to pass the Taylor Grazing Act, (43 USC 315 et seq.) which established the first program of active management of the unreserved public lands and required that they be classified.

By the 1960s, concern for environmental values and open space was in strong competition with development activities; and in 1964, Congress passed three laws which established a policy of Federal retention of unappropriated public lands. The Wilderness Act (16 USC 1131-1136) declared it to be the policy of the Congress to establish a National Wilderness Preservation System to be composed of federally owned areas designated by Congress as "wilderness areas." The Public Land Law Review Commission was established (43 USC 1391-1400) to conduct a review of existing public land laws and regulations, as well as of the policies and practices of Federal agencies charged with administrative jurisdiction over public lands. Also in 1964, the

Classification and Multiple Use Act (43 USC 1411-1418) strengthened the power of the BLM by giving it authority to classify land for retention as well as disposal. Upon expiration of the Act in 1970, BLM had classified over 90% of the land for retention. These enactments, plus PLLRC's recommendation that same year against wholesale land disposal, may reflect a shift in the attitude of the American public from disposal toward retention of national resource lands in Federal ownership but with private use by permit. Finally, a comprehensive statute that establishes policies and management provisions for public lands, including an explicit Federal policy of retention was enacted in 1976 with the signing of the Federal Land Policy and Management Act (FLPMA) (43 USC 1701-1781).

Although the Government has not had a large-scale disposal program for some time, provisions in law still exist for transfer of title to some public property. (The property disposal practices of principal Federal land management agencies are discussed in detail in CRS Report No. 81-156 ENR.) The BLM is the Federal agency that makes public domain land available for sale or other disposal. Criteria for sales and exchanges of BLM land are provided in Title II of FLPMA. Under FLPMA, BLM must inventory the public lands to determine their values, including non-developmental values, and their potential uses. A land use plan then is developed that provides for appropriate use of the lands. Although FLPMA explicitly states a policy of retention, it also provides for the disposal of public lands at fair market value if any of the stated criteria are met: (1) The tract is difficult and uneconomic to manage as part of the public lands, and is not suitable for management by another Federal department or agency; (2) the tract is no longer required for the specific purpose for which it was acquired or for any other Federal purpose; (3) disposal of the tract will serve important public objectives (such as the expansion of a community) which outweigh other public objectives and values. The regulations governing the sale provision of FLPMA also provide a way for individuals to recommend that specific tracts of land be offered for sale. In general, the sales take place at public auction and are conducted through the State BLM offices. The sale of a tract of public land is to be made at not less than fair market value. Certain public land is available under other laws as well. For example, some irrigable arid and semi-arid lands can be selected under the Desert Land Act (43 USC 321-323) and the Carey Act (43 USC 641). Persons holding valid mining claims under the 1872 Mining Act (30 USC 21-54) may also receive title to the lands under claim. The Recreation and Public Purposes Act authorizes the conveyance of land to States and local governments as well as private parties under certain circumstances. Although the homesteading laws have been repealed with respect to most public lands, repeal will be delayed in regard to Alaska until October 1986. However, because of land use planning and agricultural suitability requirements, it is unlikely that many homesteading grants will be made in that State.

Lands that have been "acquired" by the Federal Government are disposed of under a different system. The General Services Administration (GSA) disposes of acquired property (and a limited amount of public domain land) which is no longer needed by Federal agencies through procedures established by the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484). Under these procedures, property is first inventoried and declared excess by the holding agency. Once a property is declared excess, GSA notifies the other Federal agencies that this property may be transferred if it is needed. If no other Federal agency indicates a need for the property, then GSA may declare it to be surplus and may dispose of it to non-Federal recipients.

Federal officials have little incentive to declare property excess. Once

property is declared excess, the holding agency relinquishes claim to it. If, years later, the agency officials determine that additional real property is needed for the agency's operations, property would have to be repurchased or leased perhaps at costs higher than these of keeping the original piece of property which was declared excess. As the disposal procedure contains few rewards and potential penalties for administrators in the position to declare property excess, some reluctance to turn over large quantities of property may be anticipated.

According to Federal regulations (41 CFR 101-47.3), GSA notifies State and local public officials that property has been declared surplus. The State and local officials have 20 calendar days to notify the disposal agency (usually GSA) that they are interested in acquiring the property. Property to be used for historic monuments, public airports, or wildlife refuges can be transferred to State and local governments without monetary consideration. Similarly, property to be used for parks, recreation, health, or education purposes may be transferred to State or local agencies or nonprofit organizations at discounts of up to 100%. If the public agencies do not express any interest in obtaining the property, invitations for bids will be published. At that point, the bid judged to be "most advantageous to the Government" (41 CFR 101- 47.305-1) will be accepted.

The more than 24,000 Federal installations in the 50 States and the District of Columbia include buildings with 2,653 million square feet of floor area, as well as numerous other structures and facilities. Approximately 78% of the floor area of Federal buildings in the United States is used for housing, storage, and offices. The Department of Defense tops the list of agencies controlling the most federally owned building space.

Structures and facilities include utility systems, roads and bridges, railroads, monuments, airfield pavements, harbor and port facilities, reclamation and irrigation projects, and parking areas.

Proposed Policy Changes

Property Review Board

On Feb. 25, 1982, President Reagan signed Executive Order 12348, establishing a Property Review Board to coordinate Federal real property management practices. The Board consists of the Counsellor to the President, the Director of the Office of Management and Budget (OMB), the President's Assistant on National Security, and other officials appointed by the President. Responsibilities of the Board include: reviewing and developing policies governing the acquisition, utilization, and disposal of Federal real property; examining use of properties previously disposed of at discount to determine whether local governments and communities are fulfilling statutory requirements; and setting targets for the amount of property to be declared excess by each agency, among other functions.

According to the Executive Order, the Property Review Board and the GSA are to perform complementary functions. The Executive Order also, however, grants the Board considerable authority to monitor the administration of the disposal program by GSA.

The Executive Order charges the Board to advise the Administrator of GSA of "standards and procedures" to be used by the Executive agencies in determining whether to declare property excess. GSA, by extension, is to

issue the standards and procedures (after consultation with the Board) to the agencies, and is to conduct surveys to ensure that the agencies are declaring underutilized or unused property excess. The Property Review Board is to receive reports from GSA on the progress of the disposal program and "provide guidance" to the Administrator of GSA before property is disposed of at the authorized (but not required) public benefit discount to State and local governments or nonprofit organizations.

The Property Review Board has its precedents. On Feb. 10, 1970, President Nixon established a Property Review Board (E.O. 11508) to coordinate the disposal of property by agencies. The disposal procedures followed in the early 1970s by the first Property Review Board were in large part oriented toward obtaining property for the "Legacy of Parks" program. Under this program surplus Federal property was examined to assess its suitability for disposal or conversion to park use. The disposal program was not explicitly intended to generate revenues.

The Board did not have authority to recommend policy changes, however. In 1973 President Nixon issued Executive Order 11724 which established in the Executive Office of the President a Federal Property Council. The Council superseded the Property Review Board and had authority to review policies and recommend policy changes to the President. President Reagan's Board has the authority to review policies, to recommend changes, and to enforce the disposal process by setting targets for each agency to meet in disposing of property.

President Ford also supported the idea of establishing an entity which would improve the property management system, but endowed it with less authority. On Jan. 7, 1977, President Ford "reconstituted" the Federal Property Council in the Executive Office of the President (E.O. 11954). The Council's primary authority was to review reports on property which had not been declared excess. On Dec. 15, 1977, President Carter terminated the Council under Executive Order 12030.

Inventory Efforts

At least three major questions need to be answered concerning the disposal of Federal real property: (1) Which property does the Federal Government own? (2) What is that property worth on today's market? (3) Is there statutory authority to dispose of particular property in the desired manner? The General Services Administration maintains data on property owned by the Federal Government throughout the world (see Selected References in this Issue Brief). Data to answer the second question, however, have not been compiled, since the Government currently measures the value of Federal real property solely on the basis of acquisition costs, a total of which was recorded at $104.9 billion as of Sept. 30, 1979. This figure does not include the public domain lands -- lands which have never left Federal ownership or which were obtained by the Government in exchange for public domain lands or for timber on such lands. The Advisory Commission on Intergovernmental Relations (ACIR) recently estimated the current value of Federal real property (as listed in 1978, and not including public domain lands) to be $279 billion. The ACIR's valuation, however, refers to the dollar amount necessary to replace existing property in its present condition, and is not necessarily the amount of money that could be secured if the property were to be sold on the marketplace. Therefore, it should not be confused with the property's market value. The Administrator of the General Services Administration disposes property defined as surplus,

including real property under provisions of the Federal Property and Administration Services Act of 1949. This provision does not, however, apply to most public domain lands. The Department of the Interior can dispose of surplus lands under FLPMA, as described above, after a complex process of review and study. Many Forest Service lands could not be disposed, because of restrictions, without congressional authorization. The Forest Service announced, in an Aug. 10, 1982, news release, that it is developing a legislative proposal for new authority to sell excess lands. Under present authority only about 60,000 acres qualify for sale. Earlier, on May 18, the Forest Service had announced that it was putting 54 properties totaling over 40,000 acres up for sale. After more detailed study, the Service determined that approximately 51 million acres must be retained under congressional mandate. The remaining 140 million acres will be studied for possible sale. Secretary Block estimated that 15 to 18 million acres would be identified for further intensive study leading to possible disposal.

The Administration announced an initial list of 307 properties, totalling 60,000 acres, to be sold. These lands, mostly Corps of Engineers properties, will be sold at fair market value. Some of the properties are of high value, such as prime beach front in Hawaii. The Administration and supporters of disposal believe these to be relatively non-controversial, while critics see some controversy in selling some of these properties.

Land Review Within the Interior and Agriculture Departments

The Federal land sales and asset management program as proposed by the Administration will include a review of lands administered by the Departments of the Interior and Agriculture and by the Corps of Engineers. It should be noted that Section 201 of FLPMA requires that an inventory be made, on a continuing basis, of all public lands and their resources and other values, and that the present and future use of these lands be projected through a land use planning process. In testimony before the Senate in February 1982, Budget Director David Stockman stated that efforts to improve the management of Federal holdings pose no threat to national treasures. The Property Review Board subsequently announced that national parks, fish and wildlife refuges, wilderness areas, scenic trails, and Indian trust lands will not be sold. The major focus of a property management program would be on residual BLM land and limited Forest Service lands with similarly patterned ownership problems. Prime candidates for disposal, according to Mr. Stockman, will be: (1) lands that cannot be efficiently managed, due to the small size and location of the parcels; (2) parcels proximate to urban or suburban areas that would contribute to local economic development, (3) properties managed by the Corps of Engineers and Bureau of Reclamation that may no longer be needed for efficient project management but may have high value for private development, and (4) properties that may have potential for higher and better use in private ownership. References to "higher and better use" occur in many of the Administration's clarifications of the new property initiative and are potentially in conflict with the non-developmental values protected in legislation such as FLPMA.

Apparently, this phase of the land disposal program would alter Interior Secretary Watt's effort, as part of his "good neighbor" policy, to transfer to the States the more than 900,000 acres which have been requested by western governors. Under this revised approach, lands would be offered for sale for two years, then offered in exchange if they haven't been sold. Every effort will be made to realize income from the disposal process, according to Secretary Watt at a recent workshop convened by the Senate

Subcommittee on Public Lands and Reserved Water. Because of this change, all approval of transfers must now receive a final approval from the Property Review Board. By Apr. 1, 1982, only about 12,500 acres had been authorized for use or disposal under the Good Neighbor program.

An initial review, completed by the Interior Department in June, showed that 2.7 million acres of land, worth slightly more than $2 billion, could be disposed of immediately. This is considerably less than the Administration had estimated to be available. Land Use Plan amendments, established as part of the FLPMA land disposal process, could free an additional 1.7 million acres worth $.5 billion over the next several years, according to Administration sources. Earlier Administration plans had assumed that BLM land sales would supply $4.8 billion over a 5-year period. Secretary Watt had told the Senate Subcommittee workshop that only 14% of this potential has so far been identified as BLM lands.

Discounts and Transfers

The Administration's proposal to modify the real property disposal policy contains two major changes. First, the current discount provided to State and local governments seeking surplus properties would be phased out. This change, it is contended, would ensure that the abuses associated with the discount program would terminate. State and local agencies must use property received at a discount for public purposes. In hearings before the Senate Committee on Governmental Affairs, Senator Percy noted as one example of abuse the development of a mobile home park on land donated to the city of Reno, Nevada.

Second, Federal agencies would have to pay fair market value for property declared excess by another Federal agency. The second policy change according to proponents, would give Federal Administrators the incentive to acquire only that property which is necessary to the agency's operation. Because the statutory language (40 USC 484k) confers discretionary authority to establish discount prices to the Administrator of the GSA, it is possible that this policy change could be implemented without legislative amendents. Critics suggest, however, that such a total change in policy is contrary to the intent of Congress in enacting the discount programs, and that new legislation is required.

Prison Facilities

The Administration has indicated its support for the concept of transferring surplus Federal buildings to State and local governments for use as correctional institutions. The idea was proposed in the final report issued by the Attorney General's Task Force on Violent Crime in August, 1981. Senator Grassley introduced a bill to authorize such a transfer -- S. 1422, which has been reported out of the Senate Committee on Governmental Affairs. (See Legislation section of this Issue Brief for details on S. 1422.)

According to the Task Force report, requests by State or local governments for surplus property should be given priority over other requests for the same property. Citing overcrowding in prisons and the high costs governments face in constructing new prisons, the Task Force recommended that surplus properties be considered as one way that the Federal Government could assist State and local governments with the violent crime problem.

Rationale to Support the Policy Changes

Proponents of the change in the property disposal policy, including Senator Percy, Representatives Winn and Kramer, and David Stockman, argue that correcting the past mismanagement practices of surplus Federal property will solve a number of problems. The reason cited before all others for accelerating the disposal of surplus property is to reduce the size of the national debt. At the present time, according to statute, any funds received from the sale of surplus real property must be funneled into the Land and Water Conservation Fund. The receipts cannot be used for general obligations. Legislation to amend this limitation was introduced by Senator Percy on Sept. 29, 1982. (See description of S. 2973 in legislation section, below.)

The present goal of the program is to raise $1 billion next year and $4 billion per year for each of the four subsequent years through these sales. However, other sources dispute this as too optimistic, and even the Administration has suggested different totals at different times. The American Society of Appraisers has estimated that approximately $100 billion or more could be received from the sale of the property. GAO questions that figure. Mr. Stockman, at the February hearing on Federal property sales, projected that, once efforts of the Real Property Review Board are fully implemented, the Government will begin to see receipts of about $2 billion annually from the sale of GSA-managed property. The Administration is not projecting receipts from the Interior and Agriculture Department's phase of the program until FY84, since efforts involved in the identification and then sale of appropriate properties will be very complex. GAO reports that the average BLM sale over the last 5 years brought $20,000 per acre. Senator Laxalt, who, according to Public Land News (Jan. 21, 1982), believes that the sale should include some of the commodity-rich BLM lands and possibly some of the lands managed by the Forest Service, has estimated that a significant reduction in the national debt -- around $200 billion -- could be made through increased revenues. In his resolution, Senator Percy estimates that $1.3 billion is a modest figure for the sale of surplus lands.

The modified property disposal program would also, it is argued, lead to improved management of Federal assets and a resultant decline in management costs. The quality and availability of information is likely to improve if the inventory system is updated to provide data more current than 2 years old. Another benefit from conducting a more current inventory and disposing of surplus property would be more efficient use of the land and structures. Operations now conducted on prime residential or commercial property might be conducted at less cost to the Government on other property in a rural area. A more efficient, faster sale procedure could also result. The process today can take as long as 5 years for certain parcels of land, according to findings of the Better Government Association. A fourth benefit which may be derived from the new program is that the Federal Government could improve its oversight responsibilities to determine if the recipients of discounted property have actually used the property for the specified purposes.

There is evidence at the State and local levels that some of the "Sagebrush Rebels" (see IB80050), who have been calling for title transfer of western public land to the States and have long argued that their issue was one of States' rights, are leaning in favor of privatization of lands. Recently, the States' Rights Coordinating Council, a group composed of western State legislators, passed a resolution calling for privatization. This policy is appealing to the resource users who would achieve security of

land tenure with added freedom to pursue their own plans for the land, and to the local officials who would see the land added to their tax rolls. State and local governments currently receive payments in lieu of taxes (PILT) from the Federal Government, which does not pay property taxes on the land it owns. The Interior Department has estimated, according to Public Land News (Feb. 18, 1982), that if funding under the PILT program were reduced in proportion to the amount of acreage removed from the public domain, local governments would gain more from additions to their tax base than they would lose in payments in lieu of taxes.

Impacts

Organizations of two types stand to be most adversely affected by the proposed changes. The first type includes State and local governments and nonprofit organizations which have received property at a discount in the past for public benefit. Under present policy, a building which would be used primarily for education or health could be transferred to a State free, as could land to be used for a park, historic monument or recreational area. Faced with cuts in domestic assistance programs and Federal funding, State and local governments would be hard pressed to pay the fair market value for Federal properties.

The second group to be most affected would be the Federal agencies. From the Administration's perspective, property declared excess could no longer be transferred free of charge from one agency to another, but would have to be purchased at fair market value by the agency which needed the property. This requirement would, it is argued by proponents, serve as an incentive to keep agencies from acquiring property that is not needed. The budgetary problems of Federal agencies may be exacerbated, however, by forcing them to absorb additional costs. Federal social service agencies may need to open branch offices to meet increasing demands from the public for assistance. The costs of purchasing property at a time when the size of agencies' budgets are stabilizing or shrinking may force managers to make costly sacrifices.

The GAO has identified four areas of major impact of large-scale disposal and sale of Federal real property:

(1) Formulation of a new Federal land policy would be necessary since such a disposal program would deviate from the current national policy of permanent retention and management of public lands, as set forth in FLPMA.

(2) Increased resources and staffing levels for the administration of a large-scale disposal program would be required and the time necessary to dispose of large quantities of property could extend over many years. The program would be subject to many requirements unless the act authorizing the disposal program waived them or made some other provision for them. The Federal Land Policy and Management Act alone would require land use planning, coordination with State and local governments, and compliance with the wilderness study review process. Procedural requirements, such as cadastral survey, land appraisal, adjudication, and mineral evaluation would also be mandated.

(3) A new real estate market would likely be created--especially in western States where the Federal Government is the largest single landowner. Possible adverse effects might be a drop in private land values and an inability of the private sector to absorb large amounts of property put on the market at once.

(4) If the Government were to dispose of properties which generate income through such activities as sale of timber, grazing rights, and mineral leases and permits, there would be a significant loss of revenue. In FY79 alone, onshore receipts from these and other activities on the public lands totaled $775.6 million.

For recreationists and conservationists, land privatization raises the fear that the country's last great open spaces will be released for development. The questions asked are: What compensation or special options, if any, would be given those with prior existing rights to use the public lands? How would traditional rights and uses be guaranteed in the future, if at all? Repeated references to "higher and better uses" for the lands rings of pro-development and fails to recognize any of what might be called intrinsic values of the lands -- values which are recognized in some existing laws. Skeptics of the current proposals are not convinced that the effort will not develop into a massive disposition of public lands. Colorado's Governor Lamm foresees conflicting land and resource patterns developing throughout the public land States if large-scale disposal should take place, leading ultimately to political chaos; he suggested to the Senate Committee in its hearings on privatization that public domain lands be exempt from any liquidation process. Governor Herschler of Wyoming expressed concern that State residents could not successfully compete in the marketplace with companies and non-U.S. investors for many of these lands. Senator Jackson has also recommended to Senator Percy that the applicability of S.Res. 231 be limited to real property as defined in the Federal Property and Administrative Services Act of 1949.

Alternatives

Opponents of large-scale public land disposal, such as the Sierra Club, contend that, rather than "selling our birthright to the highest bidder," a more appropriate alternative would be for the Government to control more strictly its land management business. They charge in their national news report (Feb. 2, 1982) that present management permits giveaway of minerals on public lands, routine cheating on oil and gas leases/royalties, leasing of grazing lands at less than fair market value, and subsidy of the logging industry's timber harvest. Other groups, such as the Wilderness Society, have recommended that the Government raise revenues on Federal lands by increasing royalties on oil/gas leases and by replacing the claim/patent system for hardrock minerals with a leasing system. Another alternative to wholesale land disposal is the sale of land uses rather than of the land itself. Surface grazing rights could be sold while retaining subsurface rights or while granting permanent recreation privileges to the public. This would also constrain the pattern of land development. Still another concern is whether all receipts derived from these sales should be used to lower the national debt, or whether a portion of the receipts should be credited to the Land and Water Conservation Fund to support Federal and State parkland acquisition.

Environmental groups (Conservation Law Foundation, the Natural Resources Defense Council, and the National Wildlife Federation) filed a lawsuit on Sept. 30, 1982, seeking to halt the Administration's plan to sell 35 million acres over the next five years and use the proceeds to offset the national debt. Specifically, the lawsuit charged:

(1) Failure to give State and local governments and nonprofit

organizations an opportunity to acquire surplus property for public use before offering it for bid.

(2) Diverting the proceeds to a special fund to help defray the deficit (Federal law requires that proceeds be set aside for the purchase of new parkland).

(3) Reversing the Principle that national lands be kept under public ownership except in very limited circumstances.

(4) Failure to hold a hearing or invite public comment on the new policy.

(5) Violating the National Environmental Policy Act by not studying the environmental impact of the program.

(6) Violating NEPA's mandate that the government act as trustee of our natural resources.

As noted above, legislation has been introduced to address the second issue raised in this litigation.

Outlook

While Secretary Watt's "good neighbor" policy toward the West has so far been viewed as a positive step toward relieving some of that area's dissatisfaction with Federal land management, it has been suggested that "the very large landed presence of even a benevolent Federal Government will increasingly be regarded as a political and economic anomaly" (Wall Street Journal, Feb. 5, 1982). At this point, however, it remains unclear whether any form of privatization, let alone massive Federal land disposal, has more prospect for realization than the States' claims to ownership of the public lands.

LEGISLATION

P.L. 97-276

Continuing Resolution for FY83. Through Dec. 22, 1982, at the latest, no lands "with national environmental or economic value" may be disposed of until they are inventoried, until GSA provides the opportunity for public comment, and until 30 days' notice is provided to Members of Congress from the State in which the property is located. Adopted as Senate amendment H.J.Res. 599. Approved by the President on Oct. 2, 1982.

P.L. 97-394

FY83 Interior Department appropriations enactment. Imposed for FY83 requirements that the Interior Department agencies must meet before it may dispose of Federal tracts. These requirements include official agency determination that it does not need a particular tract, determination of the public benefit values of the tract, and proper notification of the proposed tract disposal.

HEARINGS

U.S. Congress. House. Committee on Government Operations. Subcommittee on Government Activities and Transportation. Surplus Federal Property for Correctional Facilities Hearing. Hearing, 97th Congress, 2d session. (Not yet printed.)
Hearing held Apr. 21, 1982.

U.S. Congress. Senate. Committee on Governmental Affairs. Proposed legislation on GSA surplus property. Hearing, 97th Congress, 1st session. (Not yet printed.) Hearing held Oct. 15, 1981.

----- Management of Federal assets. Hearing, 97th Congress, 2d session. (Not yet printed.) Hearings held Feb. 25 and Mar. 18, 1982.

U.S. Congress. Senate. Committee on Energy and Natural Resources. Subcommittee on Public Lands and Reserved Water. Workshop on Land protection and management. Hearing, 97th Congress, 2d session. (Not yet printed.)
Hearing held June 14 and June 15, 1982.

----- Land Conveyances, Exchanges, and Private Relief Bills and Acts. Hearings, 97th Congress, 2d session. Hearings held Feb. 11, 1982.
Publication No. 97-64.

REPORTS AND CONGRESSIONAL DOCUMENTS

A new idea for a new beginning. In Extensions of Remarks of Ken Kramer. Congressional record (daily ed.) v. 126, Nov. 6, 1981: E5197-E5198.

Management of Public Lands. In remarks of Henry Jackson. Congressional record (daily ed.) v. 127, May 19, 1982: S5585-S5587.

Senator Jackson addresses the Washington State Environmental Council. In remarks of Dale Bumpers. Congressional record (daily ed.) v. 127, May 26, 1982: S6175-S6178.

Some budget assumptions cannot be believed. In Remarks of John Burton. Congressional record (daily ed.) v. 127, Feb. 9, 1982: H256.

U.S. Congress. House. Committee on Government Operations. Subcommittee on Government Activities and Transportation. Disposal of surplus property. Hearing, 94th Congress, 1st session. U.S. Govt. Print. Off., 1975. 126 p.
Hearing held Oct. 22, 1975.

U.S. Congress. Senate. Committee on Energy and Natural Resources. Workshop on public land acquisition and

alternatives. 97th Congress, 1st session. U.S. Govt. Print. Off., 1981. 1029 p.
Publication No. 97-34.

CHRONOLOGY OF EVENTS

06/11/82 -- House Committee on Interior, Subcommittee on Public Lands, held hearings on public land transfers.

05/20/82 -- House Committee on Government Operations held hearings on public land disposal.

04/21/82 -- House Committee on Government Operations held hearings on the transfer of surplus property to State and local governments for correctional facilities.

03/18/82 -- Senator Percy chaired hearing on the management of Federal assets. Senator Biden, Alan Greenspan, and wildlife and recreation interest representatives testified.

02/25/82 -- President Reagan signed Executive Order 12348 establishing the Property Review Board.

02/25/82 -- Senator Percy chaired hearing on the management of Federal assets. Better Government Association, David Stockman, and National Taxpayers' Union testified.

11/05/81 -- Representative Winn submitted H.Res. 265, identical to S.Res. 231, to provide for better management of surplus Federal property.

10/20/81 -- Senator Percy submitted S.Res. 231 to the Senate, calling for an inventory of Federal property and improved management of Federal assets.

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