CALENDAR ITEM
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CONSIDER SUPPORTING FEDERAL LEGISLATION THAT WOULD REAUTHORIZE THE FEDERAL LAND TRANSACTION FACILITATION ACT

INTRODUCTION:

State Lands Commission staff has been reviewing various legislative proposals introduced in the 112th Congress that involve lands under the Commission's jurisdiction. This report describes proposed federal legislation that would reauthorize the Federal Land Transaction Facilitation Act (FLTFA), which expired on July 25, 2011. (H.R. 3365 - Lummis and Heinrich and S. 714 - Bingaman, Wyden and Udall), and proposes a Resolution for the Commission to consider adopting in support of these bills.

LEGISLATIVE PROPOSAL:

House Bill 3365 (Lummis and Heinrich) and Senate Bill 714 (Bingaman, Wyden and Udall)

SUMMARY:

The FLTFA is a land for land exchange program where the proceeds from the sale of federal lands are used to fund priority land conservation. The FLTFA expired on July 25, 2011. H.R. 3365 would reauthorize FLTFA for seven years, and its companion bill, S. 714, would reauthorize FLTFA for ten years.

BACKGROUND:

FLTFA was approved by Congress and signed into law on July 25, 2000 (P.L. 106 248) (Appendix A). FLTFA provided for the revenues from the disposal of public land nationwide, identified for disposal as of the date of passage of the FLTFA, to be deposited into a special account created by the FLTFA. The Bureau of Land Management (BLM) and other federal land managing agencies were then able to use those funds to acquire, from willing sellers, inholdings within certain federally designated areas and lands that are adjacent to those areas that contain exceptional resources. Of the revenue generated by eligible land sales or exchanges, 96% was deposited into the

FLTFA account and the remaining 4% was distributed to the state in which the sale originated.

Since its enactment, the BLM has used FLTFA to sell 330 parcels previously identified for disposal, totaling 27,249 acres, with a total value of approximately $117.4 million. Over the same time period, the Federal government acquired 37 parcels of high resource value lands, totaling 18,093 acres, with a total value of approximately $50.4 million. In California, approximately 1,023 acres of land were acquired through FLTFA funding, at a total cost of approximately $3,500,000.

S. 714 and H.R. 3365

S. 714 and H.R. 3365 would both extend and enhance the original FLTFA through four major changes. First, the bills extend the program for several years. S. 714 extends the program for 10 years, to July 2021, while H.R. 3365 extends the program for seven years, to July 2018. This extension will enable the BLM to plan for and implement the FLTFA program on a long-term basis.

Second, under the original FLTFA, only lands identified for disposal prior to July 25, 2000, were eligible to be sold. S. 714 and H.R. 3365 modify that restriction by allowing any lands identified for disposal through the BLM's land use planning process by the date of enactment of S. 714 or H.R. 3365 to be sold through the FLTFA process.

Third, the original FLTFA allowed acquisitions of inholdings within, or special lands adjacent to, Federal units only if those units existed prior to July 25, 2000. S. 714 and H.R. 3365 eliminate this limitation. In March of 2009, President Obama signed the Omnibus Public Land Management Act of 2009 (Public Law 111-11) into law, which designates or expands numerous wilderness areas, wild and scenic rivers, national park units, and other units of the BLM's National Landscape Conservation System. S. 714 and H.R. 3365 will allow the use of FLTFA funds to acquire inholdings within these areas and areas designated by other legislation enacted after July 2000.

Finally, S. 714 and H.R. 3365 add exceptions to the FLTFA in recognition of specific laws that modify the FLTFA with respect to some particular locations. The FLTFA does not apply to lands available for sale under the Santini-Burton Act (P.L. 96-586) and the Southern Nevada Public Land Management Act (P.L 105-263). S. 714 additionally exempts lands included in the White Pine County Conservation, Recreation, and Development Act (P.L. 109-432) and the Lincoln County Conservation, Recreation and Development Act (P.L. 108-424). Finally, a number of provisions of the Omnibus Public Land Management Act of 2009 (P.L. 111-11) modify FLTFA at specific sites or for specific purposes. These exceptions are also captured by S. 714 and H.R. 3365.

OTHER PERTINENT INFORMATION:

In California, FLTFA funds allowed the BLM to acquire a 400-acre property within the Johnson Canyon Area of Critical Environmental Concern and adjacent to Beauty

Mounty Wilderness, Cleveland National Forest, Pacific Crest National Scenic Trail, and Anza Borrego Desert State Wilderness. The acquisition is intended to result in significant opportunities for outdoor recreation and will help form one of the largest blocks of undeveloped land in an area that has over 55 rare, protected or declining species of plants and animals. FLTFA funding was also used in California to help protect the Smith Wild and Scenic River's largest tributary, Goose Creek, ensuring a supply of cold, clean water for the Smith River's runs of the endangered wild salmon and steelhead.

If reauthorized, FLTFA will again provide opportunities for economic development, conservation, and recreation, while helping protect threatened and endangered species. Accordingly, reauthorization of FLTFA will help strengthen the public's ability to access and enjoy public land.

The FLTFA reauthorization legislation is strongly supported by the U.S. Department of the Interior and the President of the United States, as well as a broad coalition of over 100 diverse groups, such as the Trust for Public Land, Trout Unlimited, American Fisheries Society, American Hiking Society, Association of Fish and Wildlife Agencies, Nature Conservancy, and the American Sportsfishing Association.

H.R. 3365 was heard in the House Subcommittee on Parks, Forests and Public Lands on May 17, 2012, where the Deputy Director for BLM testified in support. S. 714 was approved by the Senate Energy and Natural Resources Committee on July 14, 2011, by a unanimous vote. It is awaiting consideration by the full Senate.

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

1. Adopt the Resolution in support of H.R. 3365 (Lummis and Heinrich) and S. 714 (Bingaman, Wyden and Udall), attached hereto as Exhibit A.

Exhibit A

RESOLUTION BY THE CALIFORNIA STATE LANDS COMMISSION SUPPORTING H.R. 3365 AND S. 714, TO REAUTHORIZE THE FEDERAL LAND TRANSACTION FACILITATION ACT AND ENABLE THE BUREAU OF LAND MANAGEMENT TO CONTINUE USING THIS IMPORTANT TOOL TO ENHANCE AND PROTECT CONSERVATION LANDS

WHEREAS, the California State Lands Commission has exclusive jurisdiction over school lands and all ungranted tide and submerged lands owned by the State, including the beds of navigable rivers, streams, lakes, bays, estuaries, inlets, and straits, which are held in trust for the people of California; and,

WHEREAS, public trust lands in California and throughout the nation are vital to the recreational, economic, and environmental values of state and national land, waterways and the coast; and,

WHEREAS, Congress enacted the Federal Land Transaction Facilitation Act (FLTFA) in July 2000 as Title II of Public Law 106-248, authorizing the Bureau of Land Management to sell public lands identified for disposal through the land use planning process prior to July 2000, and retain the proceeds from those sales in a special account in the Treasury that Federal land managing agencies may use to acquire inholdings within certain federally designated areas and lands that are adjacent to those areas that contain exceptional resources; and,

WHEREAS, the lands purchased by Federal land managing agencies with FLTFA revenue have enabled the Federal government to acquire and preserve lands that provide the public with recreational access for fishing, hiking, boating and other activities, as well as properties with historic, scenic and cultural resources; and,

WHEREAS, since its enactment, the Bureau of Land Management has used FLTFA to sell 330 parcels previously identified for disposal, totaling 27,249 acres, with a total value of approximately $117.4 million dollars; and over the same period, the Federal government acquired 37 parcels of high resource value lands, totaling 18,093 acres, with a total value of approximately $50.4 million dollars; and,

WHEREAS, in the remote mountains of California's North Coast, the U.S. Forest Service used FLTFA funding to help protect the Smith Wild and Scenic River's largest tributary, Goose Creek, ensuing a supply of cold, clean water for the Smith River's celebrated runs of the endangered wild salmon and steelhead, and providing improved recreational access to this scenic area; and,

WHEREAS, in southern California, FLTFA funds were used by the Bureau of Land Management to acquire a 400-acre property within Johnson Canyon, an area of critical environmental concern near San Diego County and adjacent to publicly owned lands; the acquisition of which will provide significant opportunities for outdoor recreation and

will contribute to forming one of the largest blocks of undeveloped land in an area that hosts over 55 rare, protected or declining animal and plant species; and,

WHEREAS, without FLTFA, revenue from the sale of land the Bureau of Land Management has identified for disposal goes to the U.S. Treasury, instead of to conservation and recreation, and without the administrative funding that the FLTFA program generates, the Bureau of Land Management has very limited funding to conduct sales, appraisals and land acquisitions ; and,

WHEREAS, the FLTFA program expired on July 25, 2011 and to date has not been reauthorized, despite a broad spectrum of strong support; and,

WHEREAS, the Congressional Budget Office has stated that a 10-year FLTFA reauthorization will decrease the deficit by approximately $5 million dollars and estimated that the Bureau of Land Management will sell nine times more land with FLTFA than without FLTFA; and,

WHEREAS, S. 714 and H.R. 3365 would both extend and enhance the original FLTFA through four major changes, enabling the Bureau of Land Management and other Federal land managing agencies to plan for and implement the FLTFA program on a long-term basis; and,

WHEREAS, if reauthorized, FLTFA will again provide opportunities for economic development, conservation, and recreation, while helping protect threatened and endangered species; accordingly, reauthorization of FLTFA will help strengthen the public's ability to access and enjoy public land; and,

WHEREAS, the State Lands Commission also manages hundreds of thousands of acres of school lands throughout California and the FLTFA reauthorization legislation has the potential to assist the State in efforts to consolidate these school lands into parcels better suited for revenue generation and conservation, and to facilitate land exchanges between the State Lands Commission and the Bureau of Land Management, which would aid both agencies in achieving their respective land management goals and objectives; and,

WHEREAS, S. 714 and H.R. 3365 are strongly supported by the U.S. Department of the Interior and the President of the United States, as well as a broad coalition of over 100 diverse groups, such as the Trust for Public Land, Trout Unlimited, American Fisheries Society, American Hiking Society, Association of Fish and Wildlife Agencies, Nature Conservancy, and the American Sportsfishing Association; now, therefore, be it

RESOLVED BY THE CALIFORNIA STATE LANDS COMMISSION that it supports H.R 3365 (Lummis and Heinrich), and S. 714 (Bingaman, Wyden and Udall), the FLTFA Reauthorization bills that would provide a practical and cost effective tool to fund conservation and species protection on high priority lands, while also providing opportunities for economic growth and recreation; and be it further

Exhibit A

RESOLVED, that the Commission's Executive Officer transmit copies of this resolution to the President and Vice President of the United States, to the Governor of California, to the Majority and Minority Leaders of the United States Senate, to the Speaker and Minority Leader of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States.