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Highlights

Highlights of GAO-08-196, a report to congressional requesters

FEDERAL LAND MANAGEMENT

Federal Land Transaction Facilitation Act Restrictions and Management Weaknesses Limit Future Sales and Acquisitions

Why GAO Did This Study

The U.S. Department of the Interior's Bureau of Land Management (BLM), Fish and Wildlife Service, and National Park Service, and the U.S. Department of Agriculture's Forest Service manage about 628 million acres of public land, mostly in the 11 western states and Alaska. Under the Federal Land Transaction Facilitation Act (FLTFA), revenue raised from selling BLM lands is available to the agencies, primarily to acquire nonfederal land within the boundaries of land they already own—known as inholdings, which can create significant land management problems. To acquire land, the agencies can nominate parcels under state-level interagency agreements or the Secretaries can use their discretion to initiate acquisitions. FLTFA expires in 2010.

GAO was asked to determine (1) FLTFA revenue generated, (2) challenges to future sales, (3) FLTFA expenditures, and (4) challenges to future acquisitions. To address these issues, GAO interviewed officials and examined the act, agency guidance, and FLTFA sale and acquisition data.

What GAO Recommends

If Congress decides to reauthorize FLTFA, GAO recommends that it consider including additional lands for sale and greater flexibility for acquisitions. GAO also recommends that the agencies take actions to better manage the FLTFA program. Interior generally concurred with GAO's findings and recommendations; Agriculture made no comment.

To view the full product, including the scope and methodology, click on GAO-08-196. For more information, contact Robin M. Nazzaro at (202) 512-3841 or nazzaror@gao.gov.

What GAO Found

Since FLTFA was enacted in 2000, through May 2007 BLM has raised $95.7 million in revenue, mostly from selling about 17,000 acres. About 92 percent of the revenue raised, or $88 million, has come from land transactions in Nevada—1 of the 11 western states. Nevada accounts for the lion's share of the sales because of a rapidly expanding population, plentiful BLM land, and experience with federal land sales in southern Nevada. Most BLM field offices have not generated sales revenue under FLTFA.

BLM faces several challenges to raising revenue through future FLTFA sales. In particular, BLM state and field officials most frequently cited the limited availability of knowledgeable realty staff to conduct the sales. These staff are often not available because they are working on higher priority activities, such as reviewing and approving energy rights-of-way. We identified two additional issues hampering land sales activity under FLTFA. First, while BLM has identified land for sale in its land use plans, it has not made the sale of this land a priority during the first 7 years of the program. Furthermore, BLM has not set goals for sales or developed a sales implementation strategy. Second, GAO found that some of the additional land BLM has identified for sale since FLTFA was enacted would not generate revenue for acquisitions because the act only allows the deposit of revenue from the sale of lands identified for disposal on or before the date of the act.

The four land management agencies have spent $13.3 million of the $95.7 million in revenue raised under FLTFA: $10.1 million using the Secretaries' discretion to acquire nine parcels of land and $3.2 million for administrative expenses to prepare land for FLTFA sales. The agencies acquired the land between August 2007 and January 2008—more than 7 years after FLTFA was enacted, and BLM spent the administrative funds between 2000 and 2007, primarily for preparing FLTFA sales in Nevada. As of October 2007, no land had been purchased through the state-level interagency nomination process, which the agencies envisioned as the primary mechanism for acquiring land.

Agencies face several challenges to completing future land acquisitions under FLTFA. Most notably, the act requires that the agencies use most of the funds to purchase land in the state in which the funds were raised; this restriction has had the effect of making little revenue available for acquisitions outside of Nevada. Furthermore, progress in acquiring priority lands has been hampered by weak agency performance in identifying inholdings and setting priorities for acquiring them, as required by the act. In addition, GAO found that the agencies have not established procedures to track implementation of the act's requirement that at least 80 percent of FLTFA revenue raised in each state be used to acquire inholdings in that state or the extent to which BLM is complying with agreed-upon fund allocations among the four participating agencies. Of the revenue generated by FLTFA sales, the agencies have agreed to allocate 60 percent to BLM, 20 percent to the Forest Service, and 10 percent each to the Fish and Wildlife Service and the Park Service.