

## **BLM Publishes Final Regulations that Change Right-of-Way Rental Fees to Better Reflect Fair Market Value**

The Bureau of Land Management today announced final regulations that revise the rental fees it charges companies or individuals for rights-of-way so that these fees more adequately reflect changes in land values over the past two decades. The BLM, which is publishing its regulatory revision in tomorrow's *Federal Register*, undertook this rulemaking effort in accordance with Section 367 of the Energy Policy Act of 2005, which directs the Department of the Interior to revise the existing rental fee schedule for linear rights-of-way to reflect current land values. The BLM published proposed regulations and solicited public input on this subject in December 2007; the agency received 12 response letters and used these comments extensively in developing the final rule.

The revised rent schedule covers most linear rights-of-way granted under the Mineral Leasing Act of 1920 and the Federal Land Policy and Management Act of 1976. Both laws require the holder of a right-of-way to pay fair-market value to occupy, use, or traverse public lands for such facilities as power lines, fiber-optic lines, pipelines, roads, and ditches. The revised rental fee schedule, which would be phased in by reducing the 2009 per acre rent by 25 percent, would also be adopted by the U.S. Forest Service for uses on National Forest lands, consistent with existing practices and as required by the Energy Policy Act.

Since 1987, when rental fees for linear rights-of-way were last updated, there have been substantial changes in public land values. The result is that the Federal government may be receiving inadequate compensation for the use of these lands. The final regulations would update the fee schedule based on current land values from information published by the National Agricultural Statistics Service and would adjust these values, whether up or down, every five years. "The American taxpayer deserves fair compensation for the use of public lands for commercial purposes," said BLM Director Jim Caswell. "This new rule would ensure that the Federal government receives an adequate return for right-of-way rentals, both now and into the future."

The final set of regulations also contains provisions not directly related to the rent schedule. These cover such topics as flexible rental payment periods and reimbursements of processing and monitoring fees for leases and permits.

There are currently more than 96,000 right-of-way grants on BLM lands, of which about half (48,600) are subject to rent, generating more than \$20 million in revenue in Fiscal Year 2007. Revenue from right-of-way rentals goes to the Treasury, as required by the Federal Land Policy and Management Act, along with a share to the states, as required by the Mineral Leasing Act. The five states generating the most right-of-way rental receipts (both linear and other rights of way) are Nevada (\$4.4 million in Fiscal Year 2007), Wyoming (\$4.1 million), California (\$3.2 million), New Mexico (\$2.7 million), and Arizona (\$1.4 million).

The BLM manages more land – 258 million surface acres – than any other Federal agency. Most of this public land is located in 12 Western states, including Alaska. The Bureau, with a budget of about \$1 billion, also administers 700 million acres of sub-surface mineral estate throughout the nation. The BLM's multiple-use mission is to sustain the health and productivity of the public lands for the use and enjoyment of present and future generations. The Bureau accomplishes this by managing such activities as outdoor recreation, livestock grazing, mineral development, and energy production, and by conserving natural, historical, and cultural resources on the public lands.