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SENATE

{ REPORT
{ 105-264

DUTCH JOHN FEDERAL PROPERTY DISPOSITION AND ASSISTANCE ACT OF 1997

JULY 27, 1998.—Ordered to be printed

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

REPORT

[To accompany S. 890]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 890) to dispose of certain Federal properties located in Dutch John, Utah, to assist the local government in the interim delivery of basic services to the Dutch John community, and for other purposes, having considered the same, reports favorable thereon with an amendment and recommends that the bill, as amended, do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Dutch John Federal Property Disposition and Assistance Act of 1998”.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1)(A) Dutch John, Utah, was founded by the Secretary of the Interior in 1958 on Bureau of Reclamation land as a community to house personnel, administrative offices, and equipment for project construction and operation of the Flaming Gorge Dam and Reservoir as authorized by the Act of April 11, 1956 (70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.); and

(B) permanent structures (including houses, administrative offices, equipment storage and maintenance buildings, and other public buildings and facilities) were constructed and continue to be owned and maintained by the Secretary of the Interior;

(2)(A) Bureau of Reclamation land surrounding the Flaming Gorge Reservoir (including the Dutch John community) was included within the boundaries of the Flaming Gorge National Recreation Area in 1968 under Public Law 90-540 (16 U.S.C. 460v et seq.);

(B) Public Law 90-540 assigned responsibility for administration, protection, and development of the Flaming Gorge National Recreation Area to the Secretary of Agriculture and provided that lands and waters needed or used for the Colorado River Storage Project would continue to be administered by the Secretary of the Interior; and

(C) most structures within the Dutch John community (including the schools and public buildings within the community) occupy lands administered by the Secretary of Agriculture;

(3)(A) the Secretary of Agriculture and the Secretary of the Interior are unnecessarily burdened with the cost of continuing to provide basic services and facilities and building maintenance and with the administrative costs of operating the Dutch John community; and

(B) certain structures and lands are no longer essential to management of the Colorado River Storage Project or to management of the Flaming Gorge National Recreation Area;

(4)(A) residents of the community are interested in purchasing the homes they currently rent from the Secretary of the Interior and the land on which the homes are located;

(B) Daggett County, Utah, is interested in reducing the financial burden the County experiences in providing local government support services to a community that produces little direct tax revenue because of Federal ownership; and

(C) a withdrawal of the role of the Federal Government in providing basic direct community services to Dutch John would require local government to provide the services at a substantial cost;

(5)(A) residents of the Dutch John community are interested in self-government of the community; and

(B) with growing demands for additional commercial recreation services for visitors to the Flaming Gorge National Recreation Area and Ashley National Forest, there are opportunities for private economic development, but few private lands are available for the services; and

(6) the privatization and disposal to local government of certain lands in and surrounding Dutch John would be in the public interest.

(b) PURPOSES.—The purposes of this Act are—

(1) to privatize certain lands in and surrounding Dutch John, Utah;

(2) to transfer jurisdiction of certain Federal property between the Secretary of Agriculture and the Secretary of the Interior;

(3) to improve the Flaming Gorge National Recreation Area;

(4) to dispose of certain residential units, public buildings, and facilities;

(5) to provide interim financial assistance to local government to defray the cost of providing basic governmental services;

(6) to achieve efficiencies in operation of the Flaming Gorge Dam and Reservoir and the Flaming Gorge National Recreation Area;

(7) to reduce long-term Federal outlays; and

(8) to serve the interests of the residents of Dutch John and Daggett County, Utah, and the general public.

SEC. 3. DEFINITIONS.

In this Act:

(1) SECRETARY OF AGRICULTURE.—The term “Secretary of Agriculture” means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(2) SECRETARY OF THE INTERIOR.—The term “Secretary of the Interior” means the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation.

SEC. 4. DISPOSITION OF CERTAIN LANDS AND PROPERTIES.

(a) IN GENERAL.—Lands, structures, and community infrastructure facilities within or associated with Dutch John, Utah, that have been identified by the Secretary of Agriculture or the Secretary of the Interior as unnecessary for support of the agency of the respective Secretary shall be transferred or disposed of in accordance with this Act.

(b) LAND DESCRIPTION.—Except as provided in subsection (e), the Secretary of Agriculture and the Secretary of the Interior shall dispose of (in accordance with this Act) approximately 2,450 acres within or associated with the Dutch John, Utah, community in the NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$ of Section 1, the S $\frac{1}{2}$ of Section 2, 10 acres more or less within the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Sections 11 and 12, the N $\frac{1}{2}$ of Section 13, and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 14 of Township 2 North, Range 22 East, Salt Lake Base and Meridian, that have been determined to be available for transfer by the Secretary of Agriculture and the Secretary of the Interior, respectively.

(c) **INFRASTRUCTURE FACILITIES AND LAND.**—Except as provided in subsection (e), the Secretary of the Interior shall dispose of (in accordance with this Act) community infrastructure facilities and land that have been determined to be available for transfer by the Secretary of the Interior, including the following:

(1) The fire station, sewer systems, sewage lagoons, water systems (except as provided in subsection (e)(3)), old post office, electrical and natural gas distribution systems, hospital building, streets, street lighting, alleys, sidewalks, parks, and community buildings located within or serving Dutch John, including fixtures, equipment, land, easements, rights-of-way, or other property primarily used for the operation, maintenance, replacement, or repair of a facility referred to in this paragraph.

(2) The Dutch John Airport, comprising approximately 25 acres, including runways, roads, rights-of-way, and appurtenances to the Airport, subject to such monitoring and remedial action by the United States as is necessary.

(3) The lands on which are located the Dutch John public schools, which comprise approximately 10 acres.

(d) **OTHER PROPERTIES AND FACILITIES.**—The Secretary of Agriculture and the Secretary of the Interior shall dispose of (in accordance with this Act) the other properties and facilities that have been determined to be available for transfer or disposal by the Secretary of Agriculture and the Secretary of the Interior, respectively, including the following:

(1) Certain residential units occupied on the date of enactment of this Act, as determined by the Secretary of the Interior.

(2) Certain residential units unoccupied on the date of enactment of this Act, as determined by the Secretary of the Interior.

(3) Lots within the Dutch John community that are occupied on the date of enactment of this Act by privately owned modular homes under lease agreements with the Secretary of the Interior.

(4) Unoccupied platted lots within the Dutch John community.

(5) The land, comprising approximately 3.8 acres, on which is located the Church of Jesus Christ of Latter Day Saints, within Block 9, of the Dutch John community.

(6) The lands for which special use permits, easements, or rights-of-way for commercial uses have been issued by the Forest Service.

(7) The lands on which are located the offices, 3 employee residences, warehouses, and facilities of the Utah Division of Wildlife Resources, as described in the survey required under section 7, including yards and land defined by fences in existence on the date of enactment of this Act.

(8) The Dutch John landfill site, subject to such monitoring and remedial action by the United States as is necessary, with responsibility for monitoring and remediation being shared by the Secretary of Agriculture and the Secretary of the Interior proportionate to their historical use of the site.

(9) Such fixtures and furnishings in existence and in place on the date of enactment of this Act as are mutually determined by Daggett County, the Secretary of Agriculture, and the Secretary of the Interior to be necessary for the full use of properties or facilities disposed of under this Act.

(10) Such other properties or facilities at Dutch John that the Secretary of Agriculture or the Secretary of the Interior determines are not necessary to achieve the mission of the respective Secretary and the disposal of which would be consistent with this Act.

(e) **RETAINED PROPERTIES.**—Except to the extent the following properties are determined by the Secretary of Agriculture or the Secretary of the Interior to be available for disposal, the Secretary of Agriculture and the Secretary of the Interior shall retain for their respective use the following:

(1) All buildings and improvements located within the industrial complex of the Bureau of Reclamation, including the maintenance shop, 40 industrial garages, 2 warehouses, the equipment storage building, the flammable equipment storage building, the hazardous waste storage facility, and the property on which the buildings and improvements are located.

(2) 17 residences under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture, of which—

(A) 15 residences shall remain under the jurisdiction of the Secretary of the Interior; and

(B) 2 residences shall remain under the jurisdiction of the Secretary of Agriculture.

(3) The Dutch John water system raw water supply line and return line between the power plant and the water treatment plant, pumps and pumping equipment, and any appurtenances and rights-of-way to the line and other fa-

cilities, with the retained facilities to be operated and maintained by the United States with pumping costs and operation and maintenance costs of the pumps to be included as a cost to Daggett County in a water service contract.

(4) The heliport and associated real estate, consisting of approximately 20 acres, which shall remain under the jurisdiction of the Secretary of Agriculture.

(5) The Forest Service warehouse complex and associated real estate, consisting of approximately 2 acres, which shall remain under the jurisdiction of the Secretary of Agriculture.

(6) The Forest Service office complex and associated real estate, which shall remain under the jurisdiction of the Secretary of Agriculture.

(7) The United States Post Office, pursuant to Forest Service Special Use Permit No. 1073, which shall be transferred to the jurisdiction of the United States Postal Service pursuant to section 6(d).

SEC. 5. REVOCATION OF WITHDRAWALS.

In the case of lands and properties transferred under section 4, effective on the date of transfer to the Secretary of the Interior (if applicable) or conveyance by quitclaim deed out of Federal ownership, authorization for each of the following withdrawals is revoked:

(1) The Public Water Reserve No. 16, Utah No. 7, dated March 9, 1914.

(2) The Secretary of the Interior Order dated October 20, 1952.

(3) The Secretary of the Interior Order dated July 2, 1956, No. 71676.

(4) The Flaming Gorge National Recreation Area, dated October 1, 1968, established under Public Law 90-540 (16 U.S.C. 460v et seq.), as to lands described in section 4(b).

(5) The Dutch John Administrative Site, dated December 12, 1951 (PLO 769, U-0611).

SEC. 6. TRANSFER OF JURISDICTION.

(a) TRANSFERS FROM THE SECRETARY OF AGRICULTURE.—Except for properties retained under section 4(e), all lands designated under section 4 for disposal shall be—

- (1) transferred from the jurisdiction of the Secretary of Agriculture to the Secretary of the Interior and, if appropriate, the United States Postal Service; and
- (2) removed from inclusion in the Ashley National Forest and the Flaming Gorge National Recreation Area.

(b) TRANSFERS FROM THE SECRETARY OF THE INTERIOR.—

(1) IN GENERAL.—The Secretary of the Interior shall transfer to the Secretary of Agriculture administrative jurisdiction over certain lands and interests in land described in paragraph (2), containing approximately 2,167 acres located in Duchesne and Wasatch Counties, Utah, acquired by the Secretary of the Interior for the Central Utah Project.

(2) LAND DESCRIPTION.—The lands referred to in paragraph (1) are lands indicated on the maps generally depicting—

(A) the Dutch John transfer of the Ashley National Forest to the State of Utah, dated February 1997;

(B) the Dutch John transfer of the Uinta National Forest to the State of Utah, dated February 1997;

(C) lands to be transferred to the Forest Service: Lower Stillwater Properties;

(D) lands to be transferred to the Forest Service: Red Hollow (Diamond Properties); and

(E) lands to be transferred to the Forest Service: Coal Mine Hollow (Current Creek Reservoir).

(3) STATUS OF LANDS.—

(A) NATIONAL FORESTS.—The lands and interests in land transferred to the Secretary of Agriculture under paragraph (1) shall become part of the Ashley or Uinta National Forest, as appropriate. The Secretary of Agriculture shall adjust the boundaries of each of the National Forests to reflect the additional lands.

(B) MANAGEMENT.—The transferred lands shall be managed in accordance with the Act of March 1, 1911 (commonly known as the “Weeks Law”) (36 Stat. 962, chapter 186; 16 U.S.C. 515 et seq.) and other laws (including rules and regulations) applicable to the National Forest System.

(C) WILDLIFE MITIGATION.—As of the date of the transfer under paragraph (1), the wildlife mitigation requirements of section 8 of the Act of April 11, 1956 (43 U.S.C. 620g), shall be deemed to be met.

(D) ADJUSTMENT OF BOUNDARIES.—This paragraph does not limit the authority of the Secretary of Agriculture to adjust the boundaries of the Ash-

ley or Uinta National Forest pursuant to section 11 of the Act of March 1, 1911 (commonly known as the "Weeks Law") (36 Stat. 963, chapter 186; 16 U.S.C. 521).

(4) LAND AND WATER CONSERVATION FUND.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–9), the boundaries of the Ashley and Uinta National Forests, as adjusted under this section, shall be considered to be the boundaries of the Forests as of January 1, 1965.

(c) FEDERAL IMPROVEMENTS.—The Secretary of the Interior shall transfer to the Secretary of Agriculture jurisdiction over Federal improvements to the lands transferred under this section.

(d) TRANSFERS FROM THE SECRETARY OF AGRICULTURE.—The Secretary of Agriculture shall transfer to the United States Postal Service administrative jurisdiction over certain lands and interests in land subject to Forest Service Special Use Permit No. 1073, containing approximately 0.34 acres.

(e) WITHDRAWALS.—Notwithstanding subsection (a), lands retained by the Federal Government under this Act shall continue to be withdrawn from mineral entry under the United States mining laws.

SEC. 7. SURVEYS.

The Secretary of the Interior shall survey or resurvey all or portions of the Dutch John community as necessary—

- (1) to accurately describe parcels identified under this Act for transfer among agencies, for Federal disposal, or for retention by the United States; and
- (2) to facilitate future recordation of title.

SEC. 8. PLANNING.

(a) RESPONSIBILITY.—In cooperation with the residents of Dutch John, the Secretary of Agriculture, and the Secretary of the Interior, Daggett County, Utah, shall be responsible for developing a land use plan that is consistent with maintenance of the values of the land that is adjacent to land that remains under the jurisdiction of the Secretary of Agriculture or Secretary of the Interior under this Act.

(b) COOPERATION.—The Secretary of Agriculture and the Secretary of the Interior shall cooperate with Daggett County in ensuring that disposal processes are consistent with the land use plan developed under subsection (a) and with this Act.

SEC. 9. APPRAISALS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior shall conduct appraisals to determine the fair market value of properties designated for disposal under paragraphs (1), (2), (3), (5), and (7) of section 4(d).

(2) UNOCCUPIED PLATTED LOTS.—Not later than 90 days after the date of receipt by the Secretary of the Interior from an eligible purchaser of a written notice of intent to purchase an unoccupied platted lot referred to in section 4(d)(4), the Secretary of the Interior shall conduct an appraisal of the lot.

(3) SPECIAL USE PERMITS.—

(A) IN GENERAL.—Not later than 90 days after the date of receipt by the Secretary of the Interior from a permit holder of a written notice of intent to purchase a property described in section 10(g), the Secretary of the Interior shall conduct an appraisal of the property.

(B) IMPROVEMENTS AND ALTERNATIVE LAND.—An appraisal to carry out subparagraph (A) may include an appraisal of the value of permit holder improvements and alternative land in order to conduct an in-lieu land sale.

(4) OCCUPIED PARCELS.—In the case of an occupied parcel, an appraisal under this subsection shall include an appraisal of the full fee value of the occupied lot or land parcel and the value of residences, structures, facilities, and existing, in-place federally owned fixtures and furnishings necessary for full use of the property.

(5) UNOCCUPIED PARCELS.—In the case of an unoccupied parcel, an appraisal under this subsection shall consider potential future uses of the parcel that are consistent with the land use plan developed under section 8(a) (including the land use map of the plan) and with subsection (c).

(6) FUNDING.—Funds for appraisals conducted under this section shall be derived from the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (70 Stat. 107, chapter 203; 43 U.S.C. 620d).

(b) REDUCTIONS FOR IMPROVEMENTS.—An appraisal of a residence or a structure or facility leased for private use under this section shall deduct the contributory value of improvements made by the current occupant or lessee if the occupant or

lessee provides reasonable evidence of expenditure of money or materials in making the improvements.

(c) **CURRENT USE.**—An appraisal under this section shall consider the current use of a property (including the use of housing as a community residence) and avoid uncertain speculation as to potential future use.

(d) **REVIEW.**—

(1) **IN GENERAL.**—The Secretary of the Interior shall make an appraisal under this section available for review by a current occupant or lessee.

(2) **ADDITIONAL INFORMATION OR APPEAL.**—

(A) **IN GENERAL.**—The current occupant or lessee may provide additional information, or appeal the findings of the appraisal in writing, to the Upper Colorado Regional Director of the Bureau of Reclamation.

(B) **ACTION BY SECRETARY OF THE INTERIOR.**—The Secretary of the Interior—

(i) shall consider the additional information or appeal; and

(ii) may conduct a second appraisal if the Secretary determines that a second appraisal is necessary.

(e) **INSPECTION.**—The Secretary of the Interior shall provide opportunities for other qualified, interested purchasers to inspect completed appraisals under this section.

SEC.10. DISPOSAL OF PROPERTIES.

(a) **CONVEYANCES.**—

(1) **PATENTS.**—The Secretary of the Interior shall dispose of properties identified for disposal under section 4, other than properties retained under section 4(e), without regard to law governing patents.

(2) **CONDITION AND LAND.**—Except as otherwise provided in this Act, conveyance of a building, structure, or facility under this Act shall be in its current condition and shall include the land parcel on which the building, structure, or facility is situated.

(3) **FIXTURES AND FURNISHINGS.**—An existing and in-place fixture or furnishing necessary for the full use of a property or facility under this Act shall be conveyed along with the property.

(4) **MAINTENANCE.**—

(A) **BEFORE CONVEYANCE.**—Before property is conveyed under this Act, the Secretary of the Interior shall ensure reasonable and prudent maintenance and proper care of the property.

(B) **AFTER CONVEYANCE.**—After property is conveyed to a recipient under this Act, the recipient shall be responsible for—

(i) maintenance and proper care of the property; and

(ii) any contamination of the property.

(b) **INFRASTRUCTURE FACILITIES AND LAND.**—Infrastructure facilities and land described in paragraphs (1) and (2) of section 4(c) shall be conveyed, without consideration, to Daggett County, Utah.

(c) **SCHOOL.**—The lands on which are located the Dutch John public schools described in section 4(c)(3) shall be conveyed, without consideration, to the Daggett County School District.

(d) **UTAH DIVISION OF WILDLIFE RESOURCES.**—Lands on which are located the offices, 3 employee residences, warehouses, and facilities of the Utah Division of Wildlife Resources described in section 4(d)(7) shall be conveyed, without consideration, to the Division.

(e) **RESIDENCES AND LOTS.**—

(1) **IN GENERAL.**—

(A) **FAIR MARKET VALUE.**—A residence and occupied residential lot to be disposed of under this Act shall be sold for the appraised fair market value.

(B) **NOTICE.**—The Secretary of the Interior shall provide local general public notice, and written notice to lessees and to current occupants of residences and of occupied residential lots for disposal, of the intent to sell properties under this Act.

(2) **PURCHASE OF RESIDENCES OR LOTS BY LESSEES.**—

(A) **IN GENERAL.**—Subject to subparagraph (B), the Secretary of the Interior shall provide a holder of a current lease from the Secretary for a residence to be sold under paragraph (1) or (2) of section 4(d) or for a residential lot occupied by a privately owned dwelling described in section 4(d)(3) a period of 180 days beginning on the date of the written notice of the Secretary of intent of the Secretary to sell the residence or lot, to execute a contract with the Secretary of the Interior to purchase the residence or lot for the appraised fair market value.

(B) NOTICE OF INTENT TO PURCHASE.—To obtain the protection of subparagraph (A), the lessee shall, during the 30-day period beginning on the date of receipt of the notice referred to in subparagraph (A), notify the Secretary in writing of the intent of the lessee to purchase the residence or lot.

(C) NO NOTICE OR PURCHASE CONTRACT.—If no written notification of intent to purchase is received by the Secretary in accordance with subparagraph (B) or if a purchase contract has not been executed in accordance with subparagraph (A), the residence or lot shall become available for purchase by other persons under paragraph (3).

(3) PURCHASE OF RESIDENCES OR LOTS BY OTHER PERSONS.—

(A) ELIGIBILITY.—If a residence or lot becomes available for purchase under paragraph (2)(C), the Secretary of the Interior shall make the residence or lot available for purchase by—

- (i) a current authorized occupant of the residence to be sold;
- (ii) a holder of a current reclamation lease for a residence within Dutch John;
- (iii) an employee of the Bureau of Reclamation or the Forest Service who resides in Dutch John; or
- (iv) a Federal or non-Federal employee in support of a Federal agency who resides in Dutch John.

(B) PRIORITY.—

(i) SENIORITY.—Priority for purchase of properties available for purchase under this paragraph shall be by seniority of reclamation lease or residency in Dutch John.

(ii) PRIORITY LIST.—The Secretary of the Interior shall compile a priority list of eligible potential purchasers that is based on the length of continuous residency in Dutch John or the length of a continuous residence lease issued by the Bureau of Reclamation in Dutch John, with the highest priority provided for purchasers with the longest continuous residency or lease.

(iii) INTERRUPTIONS.—If a continuous residency or lease was interrupted, the Secretary shall consider only that most recent continuous residency or lease.

(iv) OTHER FACTORS.—In preparing the priority list, the Secretary shall not consider a factor (including agency employment or position) other than the length of the current residency or lease.

(v) DISPUTES.—A potential purchaser may file a written appeal over a dispute involving eligibility or ranking on the priority list with the Secretary of the Interior, acting through the Upper Colorado Regional Director of the Bureau of Reclamation. The Secretary, acting through the Regional Director, shall consider the appeal and resolve the dispute.

(C) NOTICE.—The Secretary of the Interior shall provide general public notice and written notice by certified mail to eligible purchasers that specifies—

- (i) properties available for purchase under this paragraph;
- (ii) the appraised fair market value of the properties;
- (iii) instructions for potential eligible purchasers; and
- (iv) any purchase contract requirements.

(D) NOTICE OF INTENT TO PURCHASE.—An eligible purchaser under this paragraph shall have a period of 90 days after receipt of written notification to submit to the Secretary of the Interior a written notice of intent to purchase a specific available property at the listed appraised fair market value.

(E) NOTICE OF ELIGIBILITY OF HIGHEST ELIGIBLE PURCHASER TO PURCHASE PROPERTY.—The Secretary of the Interior shall provide notice to the potential purchaser with the highest eligible purchaser priority for each property that the purchaser will have the first opportunity to execute a sales contract and purchase the property.

(F) AVAILABILITY TO OTHER PURCHASERS ON PRIORITY LIST.—If no purchase contract is executed for a property by the highest priority purchaser within the 180 days after receipt of notice under subparagraph (E), the Secretary of the Interior shall make the property available to other purchasers listed on the priority list.

(G) LIMITATION ON NUMBER OF PROPERTIES.—No household may purchase more than 1 residential property under this paragraph.

(4) RESIDUAL PROPERTY TO COUNTY.—If a residence or lot to be disposed of under this Act is not purchased in accordance with paragraph (2) or (3) within 2 years after providing the first notice of intent to sell under paragraph (1)(B),

the Secretary of the Interior shall convey the residence or lot to Daggett County without consideration.

(5) **ADVISORY COMMITTEE.**—The Secretary of the Interior, acting through the Upper Colorado Regional Director of the Bureau of Reclamation, may appoint a nonfunded Advisory Committee comprised of 1 representative from each of the Bureau of Reclamation, Daggett County, and the Dutch John community to review and provide advice to the Secretary on the resolution of disputes arising under this subsection and subsection (f).

(6) **FINANCING.**—The Secretary of the Interior shall provide advice to potential purchasers under this subsection and subsection (f) in obtaining appropriate and reasonable financing for the purchase of a residence or lot.

(f) **UNOCCUPIED PLATTED LOTS.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the Secretary of the Interior shall make an unoccupied platted lot described in section 4(d)(4) available for sale to eligible purchasers for the appraised fair market value of the lot.

(2) **CONVEYANCE FOR PUBLIC PURPOSE.**—On request from Daggett County, the Secretary of the Interior may convey directly to the County without consideration a lot referred to in paragraph (1) that will be used for a public use purpose that is consistent with the land use plan developed under section 8(a).

(3) **ADMINISTRATION.**—The procedures established under subsection (e) shall apply to this subsection to the maximum extent practicable, as determined by the Secretary of the Interior.

(4) **LAND-USE DESIGNATION.**—For each lot sold under this subsection, the Secretary of the Interior shall include in the notice of intent to sell the lot provided under this subsection the land-use designation of the lot established under the land use plan developed under section 8(a).

(5) **LIMITATION ON NUMBER OF LOTS.**—No household may purchase more than 1 residential lot under this subsection.

(6) **LIMITATION ON PURCHASE OF ADDITIONAL LOTS.**—No household purchasing an existing residence under this section may purchase an additional single home, residential lot.

(7) **RESIDUAL LOTS TO COUNTY.**—If a lot described in paragraph (1) is not purchased in accordance with paragraphs (1) through (6) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the lot to Daggett County without consideration.

(g) **SPECIAL USE PERMITS.**—

(1) **SALE.**—Lands on which Forest Service special use permits are issued to holders numbered 4054 and 9303, Ashley National Forest, comprising approximately 15.3 acres and 1 acre, respectively, may be sold at appraised fair market value to the holder of the permit.

(2) **ADMINISTRATION OF PERMITS.**—On transfer of jurisdiction of the land to the Secretary of the Interior pursuant to section 6, the Secretary of the Interior shall administer the permits under the terms and conditions of the permits.

(3) **NOTICE OF AVAILABILITY FOR PURCHASE.**—The Secretary of the Interior shall notify the respective permit holders in writing of the availability of the land for purchase.

(4) **APPRAISALS.**—The Secretary of the Interior shall not conduct an appraisal of the land unless the Secretary receives a written notice of intent to purchase the land within 2 years after providing notice under paragraph (3).

(5) **ALTERNATIVE PARCELS.**—On request by permit holder number 9303, the Secretary of the Interior, in consultation with Daggett County, may—

(A) consider sale of a parcel within the Daggett County community of similar size and appraised value in lieu of the land under permit on the date of enactment of this Act; and

(B) provide the holder credit toward the purchase or other negotiated compensation for the appraised value of improvements of the permittee to land under permit on the date of enactment of this Act.

(6) **RESIDUAL LAND TO COUNTY.**—If land described in paragraph (1) is not purchased in accordance with paragraphs (1) through (5) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the land to Daggett County without consideration.

(h) **TRANSFERS TO COUNTY.**—Other land occupied by authorization of a special use permit, easement, or right-of-way to be disposed of under this Act shall be transferred to Daggett County if the holder of the authorization and the County, prior to transfer of the lands to the County—

(1) agree to and execute a legal document that grants the holder the rights and privileges provided in the existing authorization; or

- (2) enter into another arrangement that is mutually satisfactory to the holder and the County.
- (i) CHURCH LAND.—
- (1) IN GENERAL.—The Secretary of the Interior shall offer to sell land to be disposed of under this Act on which is located an established church to the parent entity of the church at the appraised fair market value.
- (2) NOTICE.—The Secretary of the Interior shall notify the church in writing of the availability of the land for purchase.
- (3) RESIDUAL LAND TO COUNTY.—If land described in paragraph (1) is not purchased in accordance with paragraphs (1) and (2) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the land to Daggett County without consideration.
- (j) RESIDUAL PROPERTIES TO COUNTY.—The Secretary of the Interior shall convey all lands, buildings, or facilities designated for disposal under this Act that are not conveyed in accordance with subsections (a) through (i) to Daggett County without consideration.
- (k) WATER RIGHTS.—
- (1) IN GENERAL.—Subject to the other provisions of this subsection, the Secretary of the Interior shall transfer all water rights the Secretary holds that are applicable to the Dutch John municipal water system to Daggett County.
- (2) WATER SERVICE CONTRACT.—
- (A) IN GENERAL.—Transfer of rights under paragraph (1) is contingent on Daggett County entering into a water service contract with the Secretary of the Interior covering payment for and delivery of untreated water to Daggett County pursuant to the Act of April 11, 1956 (70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.).
- (B) DELIVERED WATER.—The contract shall require payment only for water actually delivered.
- (3) EXISTING RIGHTS.—Existing rights for transfer to Daggett County under this subsection include—
- (A) Utah Water Right 41–2942 (A30557, Cert. No. 5903) for 0.08 cubic feet per second from a water well; and
- (B) Utah Water Right 41–3470 (A30414b), an unapproved application to segregate 12,000 acre-feet per year of water from the original approved Flaming Gorge water right (41–2963) for municipal use in the town of Dutch John and surrounding areas.
- (4) CULINARY WATER SUPPLIES.—The transfer of water rights under this subsection is conditioned on the agreement of Daggett County to provide culinary water supplies to Forest Service campgrounds served (on the date of enactment of this Act) by the water supply system and to Forest Service and Bureau of Reclamation facilities, at a rate equivalent to other similar uses.
- (5) MAINTENANCE.—The Secretary of Agriculture and the Secretary of the Interior shall be responsible for maintenance of their respective water systems from the point of the distribution lines of the systems.
- (l) SHORELINE ACCESS.—On receipt of an acceptable application, the Secretary of Agriculture shall consider issuance of a special use permit affording Flaming Gorge Reservoir public shoreline access and use within the vicinity of Dutch John in conjunction with commercial visitor facilities provided and maintained under such a permit.
- (m) REVENUES.—
- (1) IN GENERAL.—Except as provided in paragraph (2), all revenues derived from the sale of properties as authorized by this Act shall temporarily be deposited in a segregated interest-bearing trust account in the Treasury with the moneys on hand in the account paid to Daggett County semiannually to be used by the County for purposes associated with the provision of governmental and community services to the Dutch John community.
- (2) DEPOSIT IN THE GENERAL FUND.—Of the revenues described in paragraph (1), 15.1 percent shall be deposited in the general fund of the Treasury.

SEC. 11. VALID EXISTING RIGHTS.

- (a) AGREEMENTS.—
- (1) IN GENERAL.—If any lease, permit, right-of-way, easement, or other valid existing right is appurtenant to land conveyed to Daggett County, Utah, under this Act, the County shall honor and enforce the right through a legal agreement entered into by the County and the holder before the date of conveyance.
- (2) EXTENSION OR TERMINATION.—The County may extend or terminate an agreement under paragraph (1) at the end of the term of the agreement.

(b) USE OF REVENUES.—During such period as the County is enforcing a right described in subsection (a)(1) through a legal agreement between the County and the holder of the right under subsection (a), the County shall collect and retain any revenues due the Federal Government under the terms of the right.

(c) EXTINGUISHMENT OF RIGHTS.—If a right described in subsection (a)(1) with respect to certain land has been extinguished or otherwise protected, the County may dispose of the land.

SEC. 12. CULTURAL RESOURCES.

(a) MEMORANDA OF AGREEMENT.—Before transfer and disposal under this Act of any land that contains cultural resources and that may be eligible for listing on the National Register of Historic Places, the Secretary of Agriculture, in consultation with the Secretary of the Interior, the Utah Historic Preservation Office, and Daggett County, Utah, shall prepare a memorandum of agreement, for review and approval by the Utah Office of Historical Preservation and the Advisory Council on Historic Preservation established by title II of the National Historic Preservation Act (16 U.S.C. 470i et seq.), that contains a strategy for protecting or mitigating adverse effects on cultural resources on the land.

(b) INTERIM PROTECTION.—Until such time as a memorandum of agreement has been approved, or until lands are disposed of under this Act, the Secretary of Agriculture shall provide clearance or protection for the resources.

(c) TRANSFER SUBJECT TO AGREEMENT.—On completion of actions required under the memorandum of agreement for certain land, the Secretary of the Interior shall provide for the conveyance of the land to Daggett County, Utah, subject to the memorandum of agreement.

SEC. 13. TRANSITION OF SERVICES TO LOCAL GOVERNMENT CONTROL.

(a) ASSISTANCE.—

(1) IN GENERAL.—The Secretary of the Interior shall provide training and transitional operating assistance to personnel designated by Daggett County, Utah, as successors to the operators for the Secretary of the infrastructure facilities described in section 4(c).

(2) DURATION OF TRAINING.—With respect to an infrastructure facility, training under paragraph (1) shall continue for such period as is necessary for the designated personnel to demonstrate reasonable capability to safely and efficiently operate the facility, but not to exceed 2 years.

(3) CONTINUING ASSISTANCE.—The Secretary shall remain available to assist with resolving questions about the original design and installation, operating and maintenance needs, or other aspects of the infrastructure facilities.

(b) TRANSITION COSTS.—For the purpose of defraying costs of transition in administration and provision of basic community services, an annual payment of \$300,000 (as adjusted by the Secretary for changes in the Consumer Price Index for all-urban consumers published by the Department of Labor) shall be provided from the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (70 Stat. 107, chapter 203; 43 U.S.C. 620d), to Daggett County, Utah, or, in accordance with subsection (c), to Dutch John, Utah, for a period not to exceed 15 years beginning the first January 1 that occurs after the date of enactment of this Act.

(c) DIVISION OF PAYMENT.—If Dutch John becomes incorporated and become responsible for operating any of the infrastructure facilities referred to in subsection (a)(1) or for providing other basic local governmental services, the payment amount for the year of incorporation and each following year shall be proportionately divided between Daggett County and Dutch John based on the respective costs paid by each government for the previous year to provide the services.

(d) ELECTRIC POWER.—

(1) AVAILABILITY.—The United States shall make available electric power and associated energy from the Colorado River Storage Project for the Dutch John community.

(2) AMOUNT.—The amount of electric power and associated energy made available under paragraph (1) shall not exceed 1,000,000 kilowatt-hours per year.

(3) RATES.—The rates for power and associated energy shall be the firm capacity and energy rates of the Salt Lake City Area/Integrated Projects.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

(a) RESOURCE RECOVERY AND MITIGATION.—There are authorized to be appropriated to the Secretary of Agriculture, out of nonpower revenues to the Federal Government from land transferred under this Act, such sums as are necessary to implement such habitat, sensitive resource, or cultural resource recovery, mitigation, or replacement strategies as are developed with respect to land transferred

under this Act, except that the strategies may not include acquisition of privately owned lands in Daggett County.

(b) OTHER SUMS.—In addition to sums made available under subsection (a), there are authorized to be appropriated such sums as are necessary to carry out this Act.

PURPOSE

S. 890, as ordered reported, would dispose of certain Federal properties located in Dutch John, Utah, assist the local government in the interim delivery of services to the local community, and reduce long-term Federal outlays.

BACKGROUND AND NEED

Dutch John in Daggett County is a northeast Utah community of approximately 175 persons. Dutch John was created by the Federal Government as a construction town for the construction of Flaming Gorge Dam on the Green River almost forty years ago. For the past twenty-five years, Dutch John has served as the home of Federal employees working at the dam, or with related responsibilities at Flaming Gorge National Recreation Area and along the Green River below the dam.

Dutch John is located in one of the most remote parts of Utah. The total Daggett County population is 750. Electricity did not arrive in Daggett County until the Civilian Conservation Corps installed it in the 1930's. A year-round road did not access the county until after World War II. The county has undergone dramatic changes with the development of Flaming Gorge Dam and the recreational uses associated with the reservoir. Today, more than 2,000,000 people visit the Flaming Gorge National Recreation Area each year, with attendant demands for emergency services.

The costs to the Federal Government of providing the full range of community facilities (including roads, water, sewer) and serving as the landlord for the town have been an increasing financial burden—now approaching \$1 million a year. The Bureau of Reclamation owns many of the buildings, including the homes in Dutch John. The U.S. Forest Service manages the underlying land for the United States. By transferring ownership out of Federal hands to local government, the Federal agencies will be able to devote decreasing budgets to their primary missions, while maintaining their needed facilities for Federal operations.

The process of privatizing Dutch John started in the mid-1980's. Then, an initial proposal by the Federal agencies was to solicit an exchange whereby a private applicant would be selected to acquire the land in Dutch John in exchange for land of comparable value desired by the Forest Service. After several years of effort, the Bureau of Reclamation and the Forest Service concluded that the process could not be completed administratively.

In 1994, having concluded that legislation was necessary for Dutch John's privatization, the Federal agencies began a series of workshops with interested parties to formulate a legislative proposal that would address the issues associated with privatization. These included: (1) Authorization to the Federal agencies for the conveyance; (2) protection of residents' housing and the interests of lessees and permittees affected by any privatization; (3) provision of resources for the community during the transition; (4) transfer

of government utilities to local entities; (5) handling of environmental issues; and (6) the transition to local government control of the town. After more than a year, draft legislation was prepared.

LEGISLATIVE HISTORY

S. 890 was introduced on June 12, 1997, by Senator Bennett and Senator Hatch, and referred to the Committee on Energy and Natural Resources. H.R. 2108, a companion measure, was introduced by Representative Cannon on July 8, 1997. The Subcommittee on Forests and Public Land Management held a hearing on S. 890 on March 25, 1998. At a business meeting on June 24, 1998, the Committee on Energy and Natural Resources ordered S. 890, as amended, favorably reported.

COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business session on June 24, 1998, by unanimous vote of a quorum present recommends that the Senate pass S. 890, if amended as described herein.

The rollcall vote on reporting the measure was 20 yeas, no nays as follows:

YEAS	NAYS
Mr. Murkowski	
Mr. Domenici ¹	
Mr. Nickles ¹	
Mr. Craig	
Mr. Campbell	
Mr. Thomas	
Mr. Kyl ¹	
Mr. Grams	
Mr. Smith	
Mr. Gorton	
Mr. Burns	
Mr. Bumpers ¹	
Mr. Ford	
Mr. Bingaman ¹	
Mr. Akaka ¹	
Mr. Dorgan	
Mr. Graham ¹	
Mr. Wyden ¹	
Mr. Johnson	
Ms. Landrieu	

¹ Indicates vote by proxy.

COMMITTEE AMENDMENT

During consideration of S. 890, the Committee adopted an amendment in the nature of a substitute. The amendment addresses concerns raised by the Administration with S. 890 as introduced. These changes include: (1) clarifying that the wildlife mitigation requirements of the Central Utah Development Act are deemed fulfilled upon transfer of lands from the Bureau of Reclamation to the Forest Service; (2) outlining the responsibilities of the Secretary of the Interior, the Secretary of Agriculture, Daggett County, and the

town of Dutch John for developing a management plan for conveyed lands that are adjacent to land which remains under Federal ownership; and (3) splitting the proceeds from the sale of property between Daggett County and the federal government.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Dutch John Federal Property Disposition and Assistance Act of 1998.

Sec. 2. Findings and purposes

The findings in subsection 2(a) provide the context for the legislation.

The purposes in subsection 2(b) are to privatize certain lands at Dutch John, transfer jurisdiction between Federal agencies, complement the Flaming Gorge National Recreation Area, convey facilities no longer needed by the Federal Government, provide transitional financial assistance to Daggett County to defray costs of providing basic governmental services, reduce Federal expenditures, and serve the residents of Dutch John and the public.

Sec. 3. Definitions

This section defines the terms “Secretary of the Interior” and “Secretary of Agriculture.”

Sec. 4. Disposition of certain lands and properties

Legal descriptions of the land to be transferred from Federal ownership are described in subsection 4(b). The facilities to be transferred are described in subsection 4(c). This section describes in specific terms the lands (approximately 2,450 acres) and facilities that would be conveyed by the Federal Government transferring among Federal agencies, or retained in Federal ownership, including land, community facilities, residential, commercial and industrial facilities, and civil facilities.

Subsection 4(c)(2) describes the Dutch John airport land for transfer, and makes that transfer subject “to such monitoring and remedial action by the United States, as is necessary.” This provision is intended to affirm existing Federal law which places responsibility for hazardous waste remediation with the owner of the property at the time of the hazardous waste occurrence. The airport contains underground storage tanks, and has been the site of many activities over the years of Federal ownership. Should it later be discovered that hazardous wastes requiring cleanup exist on the property as a result of activities during the time of Federal ownership, this provision is intended to clarify that the Federal Government would assume responsibility for remedial action. The provision is not intended to impose responsibility for activities that occur after transfer of ownership out of Federal control. A similar provision applies to the landfill, which would be transferred out of Federal ownership in accordance with subsection (4)(d)(8).

Properties retained in Federal ownership are described in subsection 4(e). Upon enactment, the Federal Government would retain 17 residences. The Committee understands that the Bureau of

Reclamation and the Forest Service may not need all of these residences in the future, and may want to convey additional residences in the future. It is the Committee's intent that a transfer of jurisdiction of additional residences could occur, at the discretion of the Federal agencies, upon the determination that the residences are no longer needed for Federal purposes, and it is in the public interest to convey the property. Should a later conveyance take place, the process provided by the Act would be followed.

Sec. 5. Revocation of withdrawals

This section addresses necessary revocation of withdrawals on United States lands to allow for conveyance of these lands.

Sec. 6. Transfer of jurisdiction

Because multiple agencies are involved, and the Act provides for conveyance by the Bureau of Reclamation, this section directs jurisdictional transfers to place jurisdiction in appropriate hands for actions during and after Federal conveyance.

Subsection 6(b) described lands to be transferred from the Secretary of the Interior to the Secretary of Agriculture. This transfer will ensure that the Forest Service will not lose acreage as a result of the conveyance of Forest Service land at Dutch John. These lands to be transferred under this subsection were part of the wildlife mitigation effort for the Central Utah Project. The Forest Service's existing mandates to protect wildlife on National Forest System lands are deemed satisfactory to protect the wildlife interests reflected in the deed restrictions for these lands.

Sec. 7. Surveys

To facilitate future title recordation, a survey is directed.

Sec. 8. Planning

The Secretary of the Interior, Secretary of Agriculture, and Daggett County are directed to prepare a community plan for Dutch John in cooperation with the residents of Dutch John.

Sec. 9. Appraisals

The Secretary of the Interior is directed to conduct appraisals to determine the fair market value of properties for conveyance. The Committee anticipates that all Federal guidelines will be followed in the appraisal process to assure that fair market value is received for the properties sold under the process established in this Act. Existing residents are concerned that the lack of available private property could drive up the values of the land at the time of conveyance. Subsection 9(c) provides guidelines that uncertain speculative value is to be avoided in the appraisal process. A right to administratively appeal appraisal results is provided to potential purchasers to alleviate the need for litigation, should disputes arise on land valuation.

Sec. 10. Disposal of properties

This Section provides for the conveyance of specified lands and facilities to public and private entities, without consideration. Community facilities are to be conveyed to Daggett County, the public

facilities are to be transferred to public entities, the school is to be transferred to the Daggett County School District, and facilities used by the Utah Division of Wildlife Resources (DWR) are transferred to DWR.

Property transferred to private parties is authorized to be conveyed for its appraised, fair market value. Residences are to be conveyed at fair market value, with a preference to existing Dutch John residents through a process specified in this section. This process establishes a priority system based upon seniority as a Dutch John resident. Subsections 10(f)(5) and (6) provide that no resident of Dutch John may purchase more than one lot. In accordance with subsection 10(g), Forest Service special use permittees may purchase the land underlying their permits for fair market value. Under subsection 10(h), Forest Service permittees who do not acquire an easement or right-of-way from the Federal Government, would enter into an agreement with Daggett County for a continuation of their use of the property prior to transfer of those underlying lands to the county. Under subsection 10(i), land underlying a church shall be sold at appraised fair market value to the church.

Subsection 10(j) provides that lands and properties remaining in the Dutch John privatization area will be transferred without consideration to Daggett County at the end of the initial sales period. Subsection 10(k) provides that specified water rights to support Dutch John and uses in the area would be transferred to Daggett County.

Because Dutch John does not have direct water access through private or local ownership of the shoreline of Flaming Gorge National Recreation Area, subsection 10(l) acknowledges and anticipates the need for community and private purposes along the shoreline. The overriding Federal interest in the management of Flaming Gorge National Recreation Area dictates careful Forest Service control over shoreline uses.

Subsection 10(m) provides that revenues from the sale of Federal properties under the Act will be shared between Daggett County and the U.S. Treasury. The U.S. Treasury will receive 15.1 percent from the property sales, and Daggett County will receive 84.9 percent.

Sec. 11. Valid existing rights

Valid existing rights not otherwise addressed in this Act are preserved in a transfer of lands from the Federal Government in Daggett County.

Sec. 12. Cultural resources

This section establishes a process involving the Forest Service, Bureau of Reclamation, and Daggett County for the protection of cultural resources at Dutch John. The Forest Service has already completed a Memorandum of Agreement with the State Historic Preservation Officer, and mitigation measures are underway for cultural resources. The Committee anticipates that necessary mitigation will be completed in 1999.

Sec. 13. Transition of services to local government control

This section establishes training and transitional operating assistance for a two-year period. To defray costs of transition, and to assist in providing basic community services while Dutch John becomes financially viable, an annual payment of \$300,000 for 15 years is provided from the Upper Colorado River Basin Fund to Daggett County. An allocation of electric power is provided from the dam.

Sec. 14. Authorization of appropriations

An authorization is established to assist, as necessary for: (1) implementation of Dutch John privatization; (2) wildlife mitigation; (3) and cultural resource recovery. An environmental assessment already in preparation will describe necessary mitigation measures. The Act specifically excludes land acquisition as part of the mitigation strategy.

COST AND BUDGETARY CONSIDERATIONS

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 9, 1998.

Hon. FRANK H. MURKOWSKI,
*Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 890, the Dutch John Federal Property Disposition and Assistance Act of 1998, as ordered reported by the Senate Committee on Energy and Natural Resources on June 24, 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Gary Brown (for federal costs) and Marjorie Miller (for the state and local impact).

Sincerely,

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

Enclosure.

S. 890—Dutch John Federal Property Disposition and Assistance Act of 1998

Summary: S. 890 would direct the Secretary of the Interior and the Secretary of Agriculture to dispose of certain lands, structures, and community facilities within or associated with Dutch John, Utah, and transfer responsibility for delivering basic services to the town to Daggett County, Utah. Examples of services that would be transferred include street maintenance and firefighting. The secretaries would retain land, structures, and facilities necessary for supporting their agencies and the Secretary of the Interior would temporarily assist the local government in delivering services.

CBO estimates that implementing the bill would require new spending subject to appropriation of about \$150,000 over the 1999–

2003 period. S. 890 would affect direct spending and receipts; therefore, pay-as-you-go procedures would apply. CBO estimates that enacting S. 890 would yield a net decrease in direct spending of \$544,000 over the 1999–2003 period. The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Dutch John was founded by the Secretary of the Interior in 1958 to house personnel, administrative offices, and equipment for constructing and operating the Flaming Gorge Dam and Reservoir. The town is part of the Flaming Gorge National Recreation Area and Ashley National Forest, which are in the jurisdiction of the Secretary of Agriculture. Because land and waters in and around Dutch John are also used for managing the Colorado River Storage Project, the Secretary of the Interior administers this area.

The bill would direct that the Secretary of Agriculture remove Dutch John from the Flaming Gorge National Recreation Area and Ashley National Forest and transfer jurisdiction of the land in and around Dutch John, Utah, to the Secretary of the Interior. Other provisions of the bill are summarized below.

Assets. The Secretary of the Interior would appraise specified residential units and lots in Dutch John and offer them at market value to current lease holders or other eligible parties. About 15 percent of all revenues from the sale of property would be deposited in the general fund of the Treasury. All other revenues would be deposited in an interest-bearing account in the Treasury and would be paid to the county semiannually. (Certain buildings and land would be conveyed without consideration to the county, as would all land and properties that remain unsold for two years.)

Permits. After disposing of land under S. 890, the Secretary of the Interior could not collect any fees from existing special use permits, easements, or rights-of-way.

Services. The Secretary of the Interior would convey specified lands and facilities to the county, including streets, sidewalks, the fire station, and sewer systems, and would make annual payments of \$300,000 (adjusted for inflation) from the Upper Colorado River Basin Fund to defray the county's costs of providing services to Dutch John. Payments would continue for 15 years.

Wildlife, Natural, and Cultural Resources. The Secretary of the Interior would transfer administrative jurisdiction over specified lands to the Secretary of Agriculture. These lands would be added to the Ashley or Uinta National Forests as appropriate. The bill would authorize the appropriation of such sums as necessary to implement habitat, resource, or cultural resource recovery, mitigation, or replacement strategies for all transferred lands.

Estimated cost to the Federal Government: CBO estimates that implementing S. 890 would require new net spending subject to appropriation of about \$30,000 a year over the 1999–2003 period. The 1998 appropriated level was about \$170,000. CBO estimates that enacting the bill would result in a net decrease in mandatory spending of about \$296,000 in each of fiscal years 1999 and 2000, and a net increase in mandatory spending of about \$16,000 a year thereafter. The costs of this legislation fall within budget function 300 (natural resources and environment).

Basis of estimate: CBO assumes that S. 890 is enacted by September 30, 1998, and that all amounts estimated to be authorized by the bill would be appropriated for each year.

Direct spending

Asset Sales. CBO estimates that the sales would yield proceeds of about \$2 million for residences and lots and about \$3 million for undeveloped land. Our estimate of total sale proceeds was derived by assuming that most of the eligible residences and lots and about a quarter of the undeveloped land specified for sale under the bill would be sold and that values for land and property in Dutch John would be similar to those in a comparable, neighboring community. Roughly 30 residences, 20 lots, and 2,000 acres of undeveloped land would be available for sale under the bill. The bill would require that 15 percent of all proceeds be deposited in the general fund of the Treasury and that 85 percent of all proceeds be paid to Daggett County semiannually.

CBO anticipates that sale proceeds would be counted for pay-as-you-go purposes. Under the 1997 Balanced Budget Act, proceeds from nonroutine asset sales (sales that are not authorized under current law) may be counted for pay-as-you-go scorekeeping only if the sale would entail no financial cost to the government. Based on information provided by the Bureau of Reclamation, CBO estimates that the federal government pays more for maintaining these properties than it collects in rental and permit payments; therefore, selling these assets would result in a net savings.

We estimate that, after paying the county, the net impact on the federal budget of asset sale provisions in S. 890 would be a reduction in direct spending of about \$312,000 in each of fiscal years 1999 and 2000. This is based on our estimating total proceeds from land and property at about \$5 million over the 1999–2000 period, that these sales revenues would accrue at a constant level over this two-year period, that 15 percent or about \$750,000 of these amounts are deposited in the general fund of the Treasury, that the balance earns interest at an annual rate of 6.2 percent, and that the balance, including interest, is paid to the county semiannually.

Permits. CBO estimates that enacting the proposal would also increase direct spending by causing a loss of offsetting receipts from outstanding permits totaling about \$16,000 annually beginning in 1999. The Forest Service administers four permits yielding revenues of about \$16,000 a year for land that would be conveyed or sold under the bill. Currently, the annual proceeds from those permits are not available for spending.

Permit holders that receive or purchase the land for which their permit was issued would no longer pay for use of the land. The bill would transfer unpurchased land to the county under certain conditions and the county would collect and retain any revenues due the federal government under any lease, permit, right-of-way, easement, or other valid existing right. The Secretary of the Interior would administer outstanding Forest Service permits prior to disposing of the land. Based on information provided by the Bureau of Reclamation, CBO assumes that permit fees that the secretary collects prior to disposal would be deposited in the Upper Colorado

River Basin Fund and would be available for spending without appropriation.

Spending subject to appropriation

Services. Based on information provided by the U.S. Forest Service and U.S. Bureau of Reclamation, CBO estimates that enacting the bill would require no new spending subject to appropriation to deliver services to Dutch John, Utah. The 1998 appropriated level is \$120,000; therefore, this change would save discretionary costs, relative to current practices.

Other costs associated with providing services and paying for federal activities in Dutch John, about \$900,000 annually, are paid out of funds that are not subject to appropriation. These funds include fees collected for providing services and receipts derived from selling water and power delivered by the Colorado River Storage Project. CBO estimates that, if S. 890 were enacted, gross spending would decline to about \$800,000 beginning in 2000 and that collections would decline commensurately. The net impact on the budget would be zero. The estimate of gross spending reflects the cost of remaining services and federal activities and, as required under the bill, a mandatory annual payment to the county of \$300,000 for the 15-year period following enactment.

Wildlife, Natural, and Cultural Resources. Based on information provided by the Forest Service, CBO estimates that enacting the bill would require new spending subject to appropriation of about \$30,000 a year to mitigate losses of wildlife, natural and cultural resources or less than \$500,000 total over the 1999–2003 period. By comparison, the 1998 appropriated level is slightly more than \$50,000.

At the request of the Utah Division of Wildlife Resources, the Forest Service has indicated that it would likely conduct wildlife and natural resource mitigation on roughly 2,500 acres over the five- to ten-year period following enactment of the bill. (This is an area roughly equal to the size of Dutch John.) The purpose of this mitigation activity would be to offset losses of habitat that may occur after land in Dutch John is sold or conveyed. The total cost of these activities would be about \$80 per acre or about \$200,000 in total, and the annual cost over a five- to ten-year period would likely average about \$30,000. Based on information provided by the Forest Service, CBO estimates that the 1998 funding level for administering wildlife and natural resources in Dutch John was about \$1 per acre or about \$2,500 in total.

The bill also would require that before any land containing culturing resources is transferred or disposed of under the bill, the Secretary of Agriculture prepare a memorandum of agreement for review and approval by the Utah Office of Historical Preservation and the Advisory Council on Historic Preservation that contains a plan for protecting or mitigating effects on these resources. The bill also would authorize appropriations for implementing the plan. The Forest Service is already cataloging significant sites and preparing a mitigation plan under current law. Based on information provided by the Forest Service, CBO estimates that the costs of implementing the plan would be about \$50,000 and that these costs would be paid out of existing funds.

Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that enacting S. 890 would affect direct spending but that there would be no significant impact in any year. Enacting the legislation would not affect governmental receipts.

Estimated impact on state, local, and tribal governments: S. 890 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. CBO expects that Daggett County would assume responsibility for providing various services to the Dutch John community as a result of this bill, but this would be a voluntary action. The bill would direct that certain land and community facilities be conveyed to the county and the school system at no cost, including a fire station, sewer and water systems, the Dutch John Airport, and the site of the public schools. In addition, any other federal property identified for disposal that could not be sold would be conveyed to the county.

Daggett County would also receive various payments from the federal government and from permit-holders, as described in the federal estimate. The bill would provide for annual payments to the county of \$300,000 for up to 15 years, which would roughly offset its costs to provide community services. In addition, the county would receive most of the revenues from the sale of federal property. CBO estimates that the county's share would total about \$4.4 million over fiscal years 1999 and 2000. The county would also receive a small amount from existing permit fees now paid to the federal government.

Estimated impact on the private sector: This bill would impose no new private-sector mandates as defined in UMRA.

Previous CBO estimate: On May 26, 1998, CBO prepared an estimate for S. 890, as introduced on June 12, 1997. CBO estimated that enacting the bill would increase direct spending by about \$260,000 over the 1999–2003 period. That estimate contrasts with CBO's estimate of a net decrease in direct spending of \$544,000 for the bill as ordered reported by the Senate Committee on Energy and Natural Resources. The difference results from a change in the bill regarding the disposition of asset sale proceeds. As introduced, S. 890 would direct the Secretary of the Interior to pay all proceeds from the sale of property to Daggett County. In the committee-approved version, 15 percent of the proceeds would be deposited in the Treasury and 85 percent would be paid to the county. Other provisions of the two bills are similar and the estimated costs are the same.

Estimate prepared by: Federal costs—Gary Brown; impact on state, local, and tribal governments—Marjorie Miller.

Estimate approved by: Paul N. Van deWater, Assistant Director for Budget Analysis.

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 S. 890.

The bill is not a regulatory measure in the sense of imposing Government established standards or significant economic responsibilities on private individuals 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 enactment of S. 890.

EXECUTIVE COMMUNICATIONS

Legislative reports from the Department of Agriculture, Department of the Interior, and Office of Management and Budget setting forth executive agency recommendations on S. 890 were unavailable at the time the report on S. 890 was filed. When the reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Bureau of Reclamation at the Subcommittee hearings follows:

STATEMENT OF ELEANOR TOWNS, FOREST SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. Chairman and members of the subcommittee, thank you for the opportunity to present the Administration's view on S. 809. The Administration supports S. 890 with amendments.

S. 890 would provide for an intricate series of conveyances to privatize the community of Dutch John, Utah which was developed in 1958 to providing housing and services for workers constructing and operating the Colorado River Storage Project administered by the Bureau of Reclamation (BOR).

The bill would direct a transfer of lands between the Department of the Interior and the Department of Agriculture so that all properties involved in the Dutch John conveyances with Daggett County, Utah and others would be under the jurisdiction by the Secretary of the Interior. The bill would also transfer certain lands from the jurisdiction of the Department of the Interior to the Secretary of Agriculture. The Secretary of Agriculture would manage the scattered lands transferred to USDA jurisdiction as part of mitigation purposes pursuant to existing Memoranda of Agreement with the Secretary of the Interior. The bill further describes the properties that would be retained by the Federal government, revocation of withdrawals, appraisal and disposal standards, conditions and requirements of the subsequent transfers between BOR, Daggett County, the Dutch John community, and property occupants.

The Forest Service testified on an earlier version of this bill in July, 1996, and we are appreciative of the improvements in the proposal since that time. We urge the Committee to adopt additional amendments to address issues concerning the land being transferred to the Forest Service. The first amendment would include language in the

bill that would state that the BOR has met their mitigation requirements under the Central Utah Project Act for the 2,167 acres located in Duchesne and Wasatch counties to be transferred to the Secretary of Agriculture. The second amendment would direct the Secretary of Agriculture to manage the lands conveyed to USDA's jurisdiction under the National Forest Management Act consistent with forest plans (Supplemental Statement A). These amendments would ensure that lands conveyed for management by the Forest Service will not be conveyed with special management requirements but can be managed similar to existing adjacent National Forest System lands.

The Department of Agriculture would defer to the Department of the Interior and the Bureau of Reclamation concerning the conveyances to Daggett County and others, as well as issues raised in the Bureau of Reclamation's testimony.

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 to existing law are made by the bill S. 890, as ordered reported.

