

# Committee on Natural Resources

Rob Bishop Chairman  
Mark-Up Memorandum

October 5, 2015

To: All Natural Resources Committee Members

From: Majority Committee Staff, Kathleen Benedetto, Subcommittee on Energy and Mineral Resources (x5-9297)

Mark-Up: Markup on H.R. 1820 (Rep. Ben Ray Lujan), To authorize the Secretary of the Interior to retire coal preference right lease applications for which the Secretary has made an affirmative commercial quantities determination, and for other purposes

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## **Bill Summary**

On April 15, 2014, Congressman Ben Ray Lujan (D-NM-03) with Congresswoman Cynthia Lummis (R-WY) introduced H.R. 1820, to authorize the Secretary of the Interior to retire coal preference right lease applications for which the Secretary has made an affirmative commercial quantities determination, and for other purposes. The bill was referred to the House Committee on Natural Resources.

## **Cosponsors**

Rep. Cynthia Lummis (R-WY)

## **Background**

H.R. 1820 resolves a decades-old Department of the Interior ‘statutory obligation’ to the Navajo Nation stemming from provisions of the Navajo Hopi Settlement Act of 1974.<sup>1</sup> The Navajo Hopi Settlement Act of 1974 brought resolution to a boundary dispute between the Navajo Nation and the Hopi Tribe. In the settlement, the Navajo lost acreage from their reservation to the Hopi and many Navajo citizens were relocated.

In return, the Navajo Nation was allowed to select comparable acreage on federal lands to be taken into trust for the Navajo. By the early 1980s the Navajo selected the federal lands they wanted to be taken into trust for them; however some of the parcels selected were encumbered by ‘preference rights lease applications’ (PRLAs).<sup>2</sup>

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<sup>1</sup> See: <http://www.gpo.gov/fdsys/pkg/STATUTE-88/pdf/STATUTE-88-Pg1712.pdf>

<sup>2</sup> See: <http://www.blm.gov/style/medialib/blm/es/minerals.Par.33013.File.dat/Preference%20Right%20Leases.pdf>

Until the PRLAs are processed, the selected parcels of federal land cannot be taken into trust for the Navajo. Further complicating the transfer of the selected parcels with PRLAs are subsequent conservation designations that prohibit development; these are the Fossil Forest<sup>3</sup>, and the Ah-shi-sle-pah Wilderness Study Area<sup>4</sup>.

H.R. 1820 provides a mechanism for the Secretary of the Interior to retire the PRLAs, provide the mineral owner a credit to be used in leasing minerals in another state, and make ‘state share’ payments to the state where the new leases are issued.

## **Major Provisions of H.R. 1820**

### **Section 1 – Exchange of Preference Right Lease Applications**

Provides authority to the Secretary of the Interior to:

- Negotiate a value for the minerals currently held by a private corporation;
- Exchange the mineral rights for a credit equal to the negotiated value that can be applied to other federal leases; and,
- To make ‘state share’ payments to any relevant state in which the bidding credits are applied.

### **Cost**

There is no CBO score. Estimated costs are between \$50 and \$240 million (the value of the coal in place).

### **Administration Position**

They testified in 2014 that they supported the goals of the legislation, however were concerned about the cost of the legislation and what the Navajo might do with the land.

### **Effect on Current Law (Ramseyer)**

None.

### **Anticipated Amendments**

None Anticipated

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<sup>3</sup> <http://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title43-section1785&num=0&edition=prelim>

<sup>4</sup> [http://www.blm.gov/nm/st/en/prog/blm\\_special\\_areas/wilderness\\_and\\_wsas/wilderness\\_study\\_areas/wilderness\\_study\\_areas/Ah\\_shi\\_sle\\_pah\\_WSA.html](http://www.blm.gov/nm/st/en/prog/blm_special_areas/wilderness_and_wsas/wilderness_study_areas/wilderness_study_areas/Ah_shi_sle_pah_WSA.html)