

**Statement of David Ure
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**House Committee on Natural Resources
Subcommittee on Federal Lands**

Hearing on

**H.R. 5780
Utah Public Lands Initiative Act**

Wednesday, September 14, 2016

Introduction

On behalf of the Utah School and Institutional Trust Lands Administration, I thank Chairman McClintock and the subcommittee members for the opportunity to provide this statement in support of H.R. 5780. I also wish to thank Utah Congressmen Rob Bishop and Jason Chaffetz for their co-sponsorship of this landmark legislation. H.R. 5780 will resolve long-standing conflicts between conservation and economic development over a vast portion of eastern Utah; designate millions of acres for conservation; and support outdoor recreation of all types as well as local economic development. The associated land exchange contained in Division B, Title I of H.R. 5780 will secure federal ownership of existing state trust lands within various proposed conservation areas, and concurrently provide replacement federal lands to Utah's school trust, helping fund K-12 public schools in Utah.

About SITLA

The School and Institutional Trust Lands Administration ("SITLA") is an independent, non-partisan state agency established to manage lands granted by Congress to the State of Utah at statehood for the financial support of K-12 public education and other state institutions. SITLA manages approximately 3.3 million acres of state trust lands, and an additional million acres of mineral estate. Revenue from school trust lands – most of which comes from mineral development - is deposited in the Utah Permanent School Fund, a perpetual endowment supporting K-12 public schools. Investment income from this endowment is distributed annually to each public and charter school in Utah to support academic priorities chosen at the individual school level.

Background

H.R. 5780 is the culmination of multiple years of stakeholder outreach by Representatives Bishop and Chaffetz, and represents a compromise solution to protracted disputes over public lands management in eastern Utah. The two sponsors and their respective staff have conducted hundreds of meeting with scores of stakeholders, including local governments, Indian tribes, environmental NGOs, outdoor recreationalists of all types, and a host of others, to reach a bottom-up compromise on how to manage public lands in eastern Utah for the future.

SITLA's testimony on H.R. 5780 will focus on one major aspect of the Public Lands Initiative – the consolidation of state school trust lands out of conservation areas and into larger, more useable blocks of lands. Some background on the reasons for the proposed land exchange will be helpful to the Subcommittee. The majority of land in eastern Utah is federal land managed by BLM. A notable exception is the presence of state school trust lands scattered in checkerboard fashion throughout the area. As the Subcommittee is aware, state school trust lands are required by law to be managed to produce revenue for public schools. Revenue from Utah school trust lands – whether from grazing, surface leasing, mineral development or sale – is placed in the State School Fund, a permanent income-producing endowment created by Congress in the Utah Enabling Act for the support of the state's K-12 public education system.

H.R. 5780 will create 41 new wilderness areas, 11 new National Conservation areas, and a variety of other special designations. These designations by their nature place substantial limits on the use of the federal lands within their boundaries, which in turn places limits on SITLA's ability to develop economic uses such as mineral extraction. Likewise, state efforts to generate revenues from trust lands through sale of the lands for recreational development and homesites would conflict with management of the surrounding federal lands. Over the years, disputes over access to and use of state school trust lands within federally-owned conservation areas have generated significant public controversy, and often led to expensive and time-consuming litigation between the State of Utah and the United States.

Land exchanges are an obvious solution to the problem of state land ownership within federal conservation areas. Exchanges can allow each sovereign – the State of Utah and the United States – to manage consolidated lands as each party's land managers deem most advisable, without interference from the other. In the last twenty years, the State of Utah and the United States worked successfully to complete a series of large legislated land exchanges. In 1998, Congress passed the Utah Schools and Land Exchange Act, Public Law 105-335, providing for an exchange of hundreds of thousands of acres of school trust lands out of various national parks, monuments, forests and Indian reservations into areas that could produce revenue for Utah's schools. Then, in 2000, Congress enacted the Utah West Desert Land Exchange Act, Public Law 106-301, which exchanged over 100,000 acres of state trust land out of proposed federal wilderness in Utah's scenic West Desert for federal lands elsewhere in the region. In 2009, Congress enacted the Utah Recreational Land Exchange Act, Public Law 111-153, which authorized the exchange of 70,000 acres of combined BLM and state trust lands out of the scenic Colorado River corridor near Moab. This exchange closed in 2014. Other exchange efforts are currently pending, and SITLA greatly appreciates the efforts of Representatives Bishop and

Chaffetz, and the cooperation and efforts of the Bureau of Land Management, in the enactment and implementation of past and current exchange proposals.

The hallmark of each of these exchanges was their “win-win” nature: school trust lands with significant environmental values were placed into federal ownership, while federal lands with lesser environmental values but greater potential for revenue generation were exchanged to the State, thus fulfilling the purpose of the school land grants – providing financial support for public education. The land exchange proposed by the Utah Public Lands Initiative would continue this tradition.

Description of Proposed PLI Land Exchange

Under Division B, Title I of H.R. 5780, SITLA would give up essentially all state trust lands in wilderness areas, national conservation areas, and other conservation areas created by the PLI Act. These trust lands to be traded to BLM would include lands within the proposed Bears Ears National Conservation Area and included wilderness in San Juan County; state trust lands in the Gemini Bridges and Labyrinth Canyon areas west of Moab in Grand County; all trust lands within the San Rafael Swell in Emery County; state trust lands in Desolation Canyon in Carbon, Emery and Grand Counties; state trust lands in Nine Mile Canyon in Carbon, Duchesne and Uintah counties; and other conservation areas elsewhere in eastern Utah.

One additional conservation transaction is worth noting in addition to the areas described above. SITLA currently manages a large block of wild land in the Book Cliffs of Grand County – often called the Roadless Area. This remote 48,000 acre land block includes some of the best big-game hunting habitat in Utah, as well as profound scenic values. Under the PLI, SITLA would convey mineral rights in the area to BLM, with those minerals to be permanently retired from development. SITLA would then undertake a conservation transaction for the surface estate with a non-federal entity such as the Utah Division of Wildlife Resources, to ensure long-term conservation and wildlife use of the area. SITLA’s willingness to commit this property to conservation was based on the negotiated compromises represented by the PLI with respect to lands to be acquired by SITLA from BLM for the school trust, and particularly the ability to acquire BLM lands in southern Uintah County.

The total acreage of school trust lands and severed minerals to be conveyed by SITLA to BLM, or in several cases to the U.S. Forest Service, would be approximately 311,250 acres. In exchange, SITLA would acquire approximately 311,791 acres of BLM lands and minerals in eastern Utah. These include a large block of lands outside the Bears Ears NCA in San Juan County; lands near the Lisbon Valley, also in San Juan County; a large block of land west of the Moab airport that is within a known potash leasing area; lands along the I-70 corridor in Emery and Grand counties; a large block of land in southern Uintah County; and a number of smaller parcels around eastern Utah.

H.R. 5780 provides that the proposed exchange would be subject to analysis under the National Environmental Policy Act. The legislation also contains specific provisions for the sharing of future mineral revenues between the United States, the State of Utah, and SITLA to ensure mutual fairness in the valuation of the lands involved. In particular, the United States would

retain its entire current revenue stream from existing oil and gas development on the BLM lands SITLA would be acquiring, and its entire projected revenue stream from future potash development.

With a land exchange of this magnitude, it is inevitable that some issues of dispute will arise with respect to the lands involved. SITLA has concerns about the southeast boundary of the Bears Ears NCA where it overlaps existing SITLA oil and gas leases for which near-term development is anticipated. SITLA is also aware that the Ute Indian Tribe of the Uintah and Ouray Reservation has expressed opposition to SITLA's acquisition of lands within the historic Uncompahgre Reservation. Although Congress has repeatedly authorized land exchanges of BLM lands in this area, we acknowledge and respect the Tribe's position, and commit to work with the Tribe and the Department of the Interior to see if a mutually acceptable resolution can be found. Similarly, we commit to work with the Department, local governments, NGOs, and affected third parties to resolve particular issues that may arise with respect to either the exchange process or specific lands of concern.

On the whole, the land exchange contemplated by H.R. 5780 is a spectacular opportunity to consolidate scattered trust lands into more useable larger parcels with better potential to support both the school trust and local economic development, while protecting a huge amount of land for conservation. Collectively, the BLM lands to be acquired by SITLA are expected to produce significant revenue to Utah's school trust over a long time period, meaningfully supporting K-12 public education in Utah. The conservation benefits of the other side of the land exchange are profound. It is an opportunity that needs to be taken.

Conclusion

SITLA appreciates the efforts of Chairman McClintock, the Subcommittee, and Congressmen Bishop and Chaffetz in holding a hearing on H.R. 5780. We respectfully ask that it be passed out of committee favorably at the earliest possible time. Thank you.

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