

# Committee on Resources

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## Witness Testimony

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### Subcommittee on National Parks & Public Lands

March 13, 1997

#### Comments of The Nature Conservancy on the Southern Nevada Public Land Management Act of 1997

The Nature Conservancy is a private, nonprofit corporation whose mission is the conservation of plants, animals and natural communities that represent the diversity of life on Earth. To date, the Conservancy, its nearly 900,000 members, and its like-minded partners have conserved more than ten million acres in 50 states and Canada. The Conservancy has helped conservation organizations in the Caribbean, Latin America, and the Pacific conserve millions of acres through innovative debt-for-nature exchanges and community-based solutions that enable sustainable economies. While some lands acquired by the Conservancy are sold to local, state, and federal government entities, the Conservancy owns 1,340 nature preserves - the largest private preserve system in the world.

The Nature Conservancy was incorporated in 1951 and has sought to establish state chapters in each state. The Nature Conservancy of Nevada is the newest chapter in The Nature Conservancy having been established in 1995. However, the Conservancy has been very active in the past throughout Nevada from helping to acquire the largest oasis in the Mojave Desert at Ash Meadows to our effort to restore important wetlands while maintaining a strong agriculture-based economy in Fallon. We are currently working with Clark County officials, various federal agencies, and community leaders in crafting a Multiple Species Habitat Conservation Plan in an attempt to get ahead of the endangered species issues which confront this community. The Nature Conservancy is the largest conservation organization in Nevada with more than 4,200 members that provide financial support for our activities.

Nevada is a state of contrasts. From the mosaic of high mountain ranges to the stark beauty of the deserts, Nevada contains some of the most diverse landscapes in the West. This diversity led The Nature Conservancy to rank Nevada as the sixth most ecologically important state with more than 320 species being either rare or unique to Nevada.

However, the wide-open spaces of Nevada are undergoing a rapid transformation. The growth that Nevada has experienced over the last five years is unprecedented. The vibrant economy of Nevada has attracted workers from all around the country. At a rate of 5,000 new residents per month, the Las Vegas Valley has exploded and maintaining the clear skies and beautiful surroundings that attract tourists, the basis of the Las Vegas economy, is challenged by this growth.

The Las Vegas Valley exists as an island in a sea of federal land. To meet the demand for residential housing spurred by this phenomenal growth, developers must look to federal lands. The federal land exchange process has helped to facilitate this growth, but in a manner that is largely unsatisfactory to all parties involved.

We need to explore alternatives to the current land exchange process. The Economic Report of the President, transmitted to the Congress last month, addresses this issue. The report includes the annual report of the President's Council of Economic Advisors (CEA). The CEA report includes the following statement (page 227):

"Achieving the most efficient mix of public land private lands may require reconfiguring the public land base, adding to it in some places and divesting in others . . . Reconfiguring could be accomplished directly through swaps of public for desired private lands, as is most common today, or public lands could be sold and the proceeds put into an account for land purchases elsewhere. Economists have long recognized that the swap option is limited by the "double coincidence of wants" problem. It is often hard to find a swap partner who both owns an asset the government wishes to acquire and places a similar value on an asset the government wishes to sell. For this reason, a land purchase fund that decouples buying and selling land assets is superior to direct swaps."

A system that sells lands at auction, keeps the receipts off-budget, and uses them to purchase other lands has major transactional advantages over traditional land exchanges, including:

1. No need to match properties. In a traditional land exchange, a private party trades a land tract to the Secretary for a piece of land under the Secretary's control. The two tracts must be of almost equal value. Finding such a pair of matched tracts can be difficult and time consuming, particularly since the private party seeking a government tract rarely owns another the government wants. Most often, the private party has to seek out and purchase such a tract before the process begins. Turning government lands into cash first avoids the need to find equally matched tracts.
2. Competitive bidding simplifies appraisals. Obtaining agreement from two parties on the appraised value of two pieces of property is probably the most difficult, time consuming, and frustration-inducing element of traditional land exchanges. Competitive bidding for the government property largely eliminates the need for one of the two appraisals. By definition, competitive bidding obtains a true market value for a property, and can greatly reduce the uncertainty, risks, controversy and delay that accompany having to set the value of a property through appraisal and negotiation.
3. Competitive bidding maximizes return to the government. Selling the government lands at auction provides competition between buyers that will maximize the value received by the government for its land. True competition is often totally absent from traditional exchanges.
4. The system accommodates sellers and reduces costs. Having cash on hand for acquisitions allows the Secretary to act quickly to take advantage of selling decisions by individual landowners. While negotiating an exchange is a complicated process that often takes more than a year, landowners' decisions to sell are often tied to an immediate need for cash. Being able to meet that need in a timely fashion greatly enhances the Secretary's ability to acquire lands in these circumstances -- and can reduce interest and transaction costs the Secretary now reimburses to third parties for purchasing and holding lands the Secretary wants to acquire before funding is appropriated by the Congress.

Land exchanges have long been scored as not affecting the federal budget in any way (except for transaction costs). But when government land is sold, the receipts become general receipts to the Treasury, and cannot be spent without further appropriation by the Congress -- which puts them back into the budget process and its increasingly tightening limits.

Having an off-budget fund fueled by land sales, and using that fund to buy land, is no different in its net fiscal impact than a land exchange. The final effect is no expenditure of appropriated funds, and no net change in the value of government assets -- just a change in where those assets are located.

The Southern Nevada Public Land Management Act of 1997 (H.R. 449) addresses these issues in a way that does not impact the Federal Budget. This concept has been proven to work with the Santini-Burton Act through which more than 11,000 acres of important natural areas surrounding Lake Tahoe have been conserved.

H.R. 449 also provides the federal agencies in Nevada the financial resources they need to accommodate the increased use of our public lands and safeguard those precious examples of our vanishing natural heritage. The explosive growth in Southern Nevada places a burden upon the management of our public lands. Not only has the hunger for land to develop caused pressure upon the Bureau of Land Management (BLM) to dispose of many of their lands through the cumbersome land exchange process, but this sudden increase in population has created difficulties for our federal agencies in maintaining the high quality recreational opportunities that can be found at nearby Lake Mead National Recreation Area, Spring Mountains National Recreation Area, and Red Rock Canyon National Conservation Area. The pressure on our irreplaceable natural resources in Southern Nevada, and elsewhere in the state, is beginning to show and unless steps are taken soon to provide the resources necessary to alleviate the problem.

H.R. 449 would also make the exchange process more transparent to the American public than it is now. There is the general public perception, be it real or imagined, that the land exchange process is driven by powerful development interests rather than the federal and local government agencies charged with acting on the public's behalf. It is also the case that the federal agencies do not have the level of control over when and how offered lands are acquired making it difficult to make informed management decisions. H.R. 449 gives us an opportunity to amend this situation by giving the federal agencies the opportunity to be more deliberate and thoughtful in their land acquisition process to ensure that the public is truly benefitting from the transaction.

H.R. 449 also provides for compensation to local governments through the Payment in Lieu of Taxes (PILT) Program administered by the Department of the Interior and the U.S. Forest Service. This program ensures that rural community's property tax revenues remain stable. H.R. 449 also requires that local governments be consulted before lands within their jurisdiction are purchased. In the state of Nevada, where more than 90% of the land base is owned by government, it is vitally important that our conservation acquisitions complement the goals of the local community while accomplishing the goals of conserving Nevada's unique natural heritage.

To that end, The Nature Conservancy feels that it is very important that the Public Lands Task Force in Nevada move forward with the establishment of objective criteria for evaluating potential projects to be funded by monies generated through the passage of H.R. 449. These funds represent Nevada's conservation legacy for future generations. It is our responsibility to establish clear guidelines as to how this money will be spent to ensure that this unique opportunity to protect our environment in Nevada and ensure a lasting high quality of life for Nevadans not be wasted. The Nature Conservancy is eager to lend assistance in this effort relying upon more than 40 years of experience in aiding government agencies establish conservation strategies.

The natural treasures of Nevada are the nation's treasures. We, as a nation, have a responsibility to future generations to pass on nature's legacy. The Southern Nevada Public Land Management Act of 1997 (H.R.

449) seeks to solve the myriad problems of traditional land exchanges thereby ensuring economic prosperity for the region while, at the same time, providing the financial resources necessary to ensure that this same economic prosperity does not result in the diminution of Nevada's natural environment. Prosperity is not truly prosperity unless it ensures a lasting quality of life for all. We have a unique opportunity in Nevada to provide for both economic growth and conservation of our natural resources. H.R. 449 is the legislation that will enable us to seize this opportunity. The Nature Conservancy urges the passage of H.R. 449.

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