

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
NATIONAL APPLIED RESOURCE SCIENCES CENTER
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To: All State Directors (except Alaska and Eastern States)
From: Director, National Applied Resource Sciences Center
Subject: Updating Discount Rate and BLM Price File for Economic
Analysis

Discount Rate

The discount rate to be used by federal agencies in formulating and evaluating plans for water and related land resources is 7.125 percent for the period October 1, 1997, through September 30, 1998, (See Federal Register, vol. 62, No. 216, pg. 60267, 11-07-97). The rate is derived from the formula specified in the Water Resources Development Act of 1974, P.L. 93-251, Section 80 (a). The law limits the change in the official discount rate to one-quarter percent per year. Discounting is to be used to convert future monetary values to present values.

Field officials may use other rates compatible with local conditions; however, analysts are cautioned that the derivation of alternative rates must be documented and defensible by the strictest professional standards.

BLM Price File Update

Each State Office is responsible for annually updating the BLM price file for use in the Investment Analysis Model in their State. The file contains values for various BLM outputs use for efficiency analyses of range investments, wildlife investments, fire management, and other program-specific activities.

If you or your staff have any questions, please contact Leon Pack at (303) 236-0156.

Signed by:	Authenticated by:
Daniel Muller, Acting	Rita L. Sheffer
Director, National Applied	Staff Assistant
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