

COMMUNICATION SITE RENTALS
December 2, 1996

ISSUE: The BLM is now in the process of implementing a new communication site right-of-way rental schedule. Wyoming has about 150 sites that will be impacted. The new rentals may severely impact some holders and the holders may ask authorized officers for a reduction or waiver in the new rental as well as relief from past rental that is owed due to our practice of using estimated or reduced rentals pending an appraisal.

BACKGROUND: The new communication site right-of-way rental schedule was published in November 1995. The new schedule set rental amounts for sites based on type of use and population served. The BLM chose to delay full implementation of the new rates until the January 1, 1997, bills were sent to the holders. During 1996, each communication site right-of-way holder was advised of the new schedule and invited to have a face-to-face conference so that the new schedule could be fully explained and the holder given some fore-warning as to what to expect in the way of January 1, 1997, billings.

One of the major impacts to existing holders was the amount they owe in back rental. The practice of BLM was to issue communication site rights-of-way for a minimal or estimated rental until an appraisal was completed to determine fair market value (FMV). However, appraisals were not always completed because the Washington Office was working on a rental schedule and kept promising the field offices that a new schedule would be forthcoming. Therefore, in some cases, we have low rental collections that go back as far as 12 years. Now, with the new schedule as a guide for FMV, we are going back and assessing the past rental due and billing the holders for all the past years. This bill can sometimes be very high and some of the holders may be severely impacted by the amount. The result of these large bills may mean some operators could no longer continue to operate the communication site, which in turn, could impact other communication uses in their facility.

POSITION: The BLM field offices must be sensitive to the impact a large bill for past rental may have on site holders as well as other communication uses that might be in the building. The right-of-way regulations provide for a reduction or waiver in rentals if the amount is an undue hardship on the holder and if it is in the public interest to reduce the rental. The holders may ask the authorized officer for a reduction or waiver and if granted, the decision is sent to the State Director for concurrence. The BLM field offices are in the best position to evaluate any requests for relief and are directed to evaluate the financial needs of the holder and the best interests of the public. The rental is owed to the United States and the holder signed the grant subject to a future determination of FMV, but because it took so long to develop the rental schedule, some relief may be justified.