

**Statement of
Lawrence E. Benna
Deputy Director, Operations
Bureau of Land Management
Senate Energy & Natural Resources Committee
Subcommittee on Public Lands and Forests
Hearing on S. 703, Conveyance of Certain Bureau of Land Management Land
in the State of Nevada to the Las Vegas Motor Speedway
July 20, 2005**

Mr. Chairman, thank you for the opportunity to appear before you today to testify on S. 703, a bill that would convey by direct sale approximately 113 acres of public lands managed by the Bureau of Land Management (BLM) in Clark County, Nevada to the Nevada Speedway, LLC. The lands would be used as a parking lot to alleviate parking congestion at the Las Vegas Motor Speedway and are located directly adjacent to land currently owned by Nevada Speedway, LLC. The Administration does not object to the proposed conveyance in S. 703 but cannot support the bill's distribution of revenues from the sale of these public lands. We would also like an opportunity to work with the sponsor of the bill and the Committee to ensure that the conveyance results in the best possible return for the public and to resolve some other concerns with the bill.

The land proposed for sale is within the southwest part of a designated community sand and gravel pit area. However, there are no ongoing sand and gravel operations on the lands proposed to be conveyed. No other leasing, commodity use, or production activities occur on the lands. Recreation use in the area is also limited.

S. 703 requires the Secretary to complete an appraisal of the land not later than 90 days after the date of enactment of the bill. Nevada Speedway, LLC has 30 days from the completion of the appraisal to submit an offer to the Secretary to acquire the lands at the appraised value. The Secretary then has 30 days to complete the conveyance. The Act directs the BLM to convey the lands to Nevada Speedway, LLC notwithstanding land use planning and other requirements provided for in sections 202 and 203 of the Federal Land Policy and Management Act (FLPMA) and withdraws the lands from all forms of entry. All costs associated with the appraisal and conveyance of the lands are to be paid by Nevada Speedway, LLC. The proceeds from the sale of the lands are to be distributed in accordance with section 4(e)(1) of the Southern Nevada Public Land Management Act (SNPLMA), which provides for the distribution of 5 percent of the proceeds to the State of Nevada general education program, 10 percent to Southern Nevada Water Authority, and 85 percent to the special account for the various resource purposes described in SNPLMA.

While the BLM supports the conveyance of these lands to Nevada Speedway, LLC, we would like to work with Committee to resolve some concerns with the legislation. First, the lands identified for conveyance are outside the SNPLMA disposal boundary and they are not identified for disposal in the BLM Las Vegas Resource Management Plan. The BLM, as a matter of policy and practice, and in accordance with FLPMA, uses its land use planning process to identify public lands suitable for disposal. Based on previous sales in Clark County, Nevada, it is likely that the lands identified for conveyance in S. 703 would be sold at a much higher price than their appraised value if the sale was completed through a competitive procedure. Therefore, to ensure a fair return to the public, the Department supports the sale of these lands via a competitive bidding process, as defined in Section 203 of FLPMA, rather than a direct sale to Nevada Speedway, LLC.

Second, because the lands proposed for conveyance fall outside of the SNPLMA disposal boundary, the Administration recommends that the proceeds of the sale be directed to the U.S. Treasury.

Finally, the Department would like to work with the Committee on some additional technical modifications to S. 703, including ensuring that the subsurface estate is conveyed along with the surface estate to prevent any split-estate issues.

Thank you for the opportunity to testify on this bill. We look forward to working with the Committee to resolve the issues discussed above. I will be happy to answer any questions.