

BLM Alaska
Resource Advisory Council
Resolution 11-01
November 30, 2011

The following resolution was approved by a quorum of council members present during a vote at the November 30, 2011 council meeting held in Fairbanks Alaska. Council vice-chair Michael McDougall presiding in the absence of Council Chair Scott Hala. The resolution was forwarded to BLM State Director Bud Cribley.

WHEREAS, the current BLM cabin policy requires trapping proceeds be 25% of total annual income, and

WHEREAS, the profit margin in the trapping business is often very small, and

WHEREAS, changes to the BLM policy would allow for the practical, safe use of cabins to perform trapping activity, yet discourage the use of the cabins for inappropriate activities, and

NOW THEREFORE, the Alaska RAC recommends that BLM revise the long standing trapping cabin policy wording that requires substantial *income* to instead require substantial *effort*, and

be less prohibitive to trappers by omitting the 25% income requirement, and

consider other measures of proof of commercial activity, and

structure a trapper cabin permit fee in a way that minimizes the cost to the trappers. The cabin permit fee would be similar to that of the U.S. Fish & Wildlife Service, and

the RAC also recommends BLM consider incorporating the following elements in revising the existing policy regarding cabins:

- Limit a permanent cabin size not to exceed 400 sq. ft. Additionally allow for reasonable out-buildings, limited to: a) a maximum 120 sq. ft., three-sided wood shed/snow machine shelter, b) an elevated food cache, and c) a toilet. Existing cabins with similar characteristics to be used for this purpose be grandfathered in.
- Allow additional emergency line shelter(s) with a toilet and cache. Limit total size to 150 sq. feet per shelter site.
- Limit cabin use to activities relating directly to trapping only.

- Limit the use period from the month prior to the opening of trapping season, to the month after the end of the season (closure date may vary, based on weather conditions) in the area where the cabin is located,
- Require proof of commercial activity, including the following:
 - measure of effort through time (generally 60 days of trapping effort during the trapping season), and
 - receipts for investment (gas, trapping equipment, food, etc.), and
 - number of set traps (minimum 20), and
 - receipts of commercial sale (sealing certificate, fur harvest ticket, handicraft sale receipt), or
 - proof of barter of some furs.
- Issue a 5-year, renewable cabin permit. Reviewed annually by the agency and renewed based on satisfactory compliance with all terms of the permit.
- Charge a non-refundable \$100 administrative fee for issuing and renewing cabin permits.

CERTIFICATION

The foregoing resolution was adopted by the BLM Alaska Resource Advisory Council by a vote of 13 in favor, 0 opposed, and 2 not voting.

Pending signature

Michael McDougall, Vice Chair, Alaska RAC

Date



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Alaska State Office

222 West Seventh Avenue, #13

Anchorage, Alaska 99513-7599

<http://www.ak.blm.gov>



2920, 2800 (932) P

May 20, 2005

Instruction Memorandum No. AK 2005-028

Expires: 09/30/2006

To: Field Office Managers, DSDs, All Lands & Realty Employees, and AO-JPO

From State Director

Subject: Minimum Rental Policy for Rights-of-Way, Leases, and Permits

Program Area: Land Use Authorizations including Rights-of-Way, Leases and Permits issued under the Federal Land Policy Management Act (FLPMA), 43 CFR 2800 and 43 CFR 2920.

Purpose: To establish and implement an administrative determination on *small, non-complex, and routine interests in real estate* under jurisdiction of the Bureau of Land Management (BLM). This policy is not intended to be all encompassing; rather it is to be utilized as a cost saving mechanism in order to eliminate the need to do an appraisal for every land use authorization. This determination is based upon guidance from the Appraisal Services Directorate and information derived from past fees charged throughout the state to recover the costs of issuance of a land use authorization.

Background: Each year the BLM field offices receive requests to use small parcels of otherwise vacant and remote lands. The large number of existing land use authorizations has forced the BLM and its applicants to spend an inordinate amount of money to value land use authorizations. Many authorizations are small, non-complex, and routine. In many instances the cost of the appraisal fees may outpace the value of the land use authorization three or four times. In addition to monetary costs, undue delays and disproportionate high costs for the applicant can occur. This contradicts sound business practices as defined in 43 CFR.

Judgment is required in applying the minimum rental schedule. Cost recovery must be collected if the schedule determines the rental on a 2920 permit or lease is \$250 per year or greater. Cost recovery collected on rights-of-way authorized under 2800 is independent of the rental amount. No rent is due for casual use as defined in 43 CFR 2920.05(k), typically, minimum rental applies for intrusive, atypical uses involving surface disturbance, construction, or a frequent regular presence on the property. Uses may include, but are not limited to: telephone facilities,

electrical transmission lines, energy pipelines, non-energy related pipelines, remote cabin sites, temporary camps, cross-country moves, equipment testing, mineral exploration, storage sites, ground water monitoring wells, scientific research, commercial filming, etc.

Policy: A minimum rental value of \$250.00 shall be established for all BLM land use authorizations. For all land use authorizations where the anticipated value exceeds \$250.00, but does not justify the cost of conducting an appraisal, the BLM shall adopt the guidance and schedule contained in the attached Memorandum from the Review Appraiser, Appraisal Services Directorate-Alaska, dated March 18, 2005. *This is an administrative determination and not an appraisal.* If the applicant desires that the rental be determined by appraisal rather than this guidance, they may provide one. Selection of a contract appraiser and preparation of any appraisal will be coordinated closely with appraisal staff.

This schedule will apply to new authorizations and previously granted authorizations. In the case of existing authorizations, the schedule shall be applied upon the next rental review. In cases where the rent under this schedule is more than double the current rent, the new rent may be compounded (double the current rent) each year until the minimum rent is reached.

The schedule should not be used for communication sites where the rental is determined by national schedule and should not be applied to existing land use authorizations where an appraisal has been completed and the annual rental exceeds \$250.00. A separate schedule developed by the Chugach National Forest for commercial film permits is adopted for the calculation of rental which exceeds the minimum \$250.00 rental. These fees may be applied to each staging or location area used.

Commercial Still Photography	
Persons on Site	Minimum Fee Per Day
1 - 10	\$111.40
11-30	\$166.59
>30	\$276.96

Motion Picture & TV Location	
Persons on Site	Minimum Fee Per Day
1 - 10	\$166.59
11 - 30	\$221.77
31 - 60	\$554.95
>60	\$613.20

This schedule is adjusted annually and may be accessed at:

http://www.fs.fed.us/r10/chugach/lands/filming_fees.htm

Timeframe: Effective immediately.

Coordination: National Business Center Office Appraisal Services Directorate, Anchorage Field Office, Northern Field Office, Glennallen Field Office, Division of Resources, Lands, and Planning.

Contact: Carolyn Spoon, Branch Chief, Branch of Lands and Realty, Division of Resources, Lands and Planning, 907-271-4207.

Signed
John Sroufe
State Director, Acting

Authenticated
Rodney Harvey
Records Manager

3 Attachments

- 1 - Memorandum Appraisal Services Directorate March 18, 2005
- 2 - Includes BLM Fee Schedule
- 3 - Includes Map of geographic zones for the fee schedule



United States Department of the Interior
Appraisal Services Directorate
1011 East Tudor Road
Mail Stop 211
Anchorage, Alaska 99503



Memorandum

To: State Director, Bureau of Land Management-Alaska
From: Review Appraiser, Appraisal Services Directorate-Alaska
Subject: Realty Policy-Land Use Authorization Valuation

The purpose of this memorandum is to establish guidance in estimating rental valuations for land use authorizations in Alaska. The term land use authorization in this policy is defined as “any short-term interest in *real property* the Bureau of Land Management is granting.” This memorandum is intended to comply with the Code of Federal Regulations and the Federal Land Policy and Management Act of 1976.

The Bureau of Land Management is involved with numerous rights-of-way, leases, permits, and easements in Alaska. They vary from small remote tracts to vast utility corridors and include linear and nonlinear type uses. Authorized uses may include, but are not limited to electrical transmission lines, telephone lines, oil/gas pipelines, drilling pads, fiber optic cables, cabin sites, remote outpost camps, roads, cross country moves, storage sites, and other short term uses. The large number of existing authorizations has forced the BLM and its land use proponents to spend an inordinate amount of money to value authorizations by formal appraisal. In many instances, appraisal fees may outpace the value of the land use three or four times. In addition to monetary costs, undue delays and disproportionately high costs for the proponent can occur.

Minimum Rental: Land use authorizations in Alaska may be valued by Appraisal and/or an adopted fee schedule. The principles of sound business practices dictate that a minimum rental return must be charge to offset the costs of administering the authorization and the fees collected. Therefore, based on a survey of land managers, a minimum value of \$250 will apply in either case. Each option is discussed below.

Appraisal: For land use authorizations where the value exceeds \$250, an appraisal may be required. Going rates should first be considered. Rates paid to other landowners along a particular project should be investigated. For some types of authorizations, an established going rate per pole, per line, or per rod may exist. If a going rate cannot be established, the land use rental should be estimated based on land value. A market derived rental or lease rate is applied to the value of the affected land to estimate compensation for the authorization.

Real property appraisals must be used for complex or controversial projects. Examples when

an appraisal is needed include land in remote villages, an area significantly populated (such as the Mat-Su Valley, Anchorage, Fairbanks, etc) or along a major roadway (this may exclude roads which are not maintained or passable year around). An appraisal completed for an authorization must be a *Complete* appraisal (as defined by the Uniform Standards for Professional Appraisal Practice). It may be reported in a summary or self contained format and will be reviewed by the Appraisal Services Directorate for technical adequacy. Appraisals for land use authorizations do not have to comply with the Uniform Appraisal Standards for Federal Land Acquisitions but are regulated by the Uniform Standards for Professional Appraisal Practice.

Real property appraisals for land use authorizations affecting Federal lands are unique appraisal problems. Often, an appraiser has difficulty determining the “larger parcel” issue as it pertains to a right-of-way, lease, permit, or easement. In most cases, the size of the Federal ownership maybe several millions of acres while the authorization may affect only a few acres. For authorizations using a land-based methodology, the larger parcel will be estimated from the market. For example, if the majority of land sales in the area are 160 acres in size, the larger parcel hypothetically is 160 acres. Once the larger parcel size is estimated, *Across The Fence* (ATF) methodology should be implemented. This methodology has been adopted by the right-of-way industry as an equitable way to value corridors. It is premised on the land being affected by the authorization should be worth at least as much as the land through which it passes.

General Fee Schedule: BLM-Alaska should adopt a fee schedule for non-complex land use authorizations. The fee schedule cannot be used for acquisition nor does it excuse the BLM from performing appraisals on complex or controversial authorizations. The fee schedule should be used for non-complex authorizations in areas with homogenous land values. Most governmental agencies in Alaska have adopted the use of fee schedules due to the high cost of completing appraisals. It is common for appraisals of remote land to cost more than \$7,500. In many of these cases, the land value is only a few thousand dollars and the authorization values are a few hundred dollars. The fee schedule used by BLM-Alaska should be market-based with land transactions and market rental rates being researched. Based on this and the principles of sound business management the following fee schedule was developed. The proponent does have the option to pay for a complete appraisal. However, the Appraisal Services Directorate will write all appraisal instructions, approve the appraiser and review the final appraisal report.

For the purpose of using the fee schedule, the State of Alaska is divided into “zones”. These are based on a survey of homogenous land uses and values. The zones and their respective rental rates are summarized on the following page.

Commercial Film Permits: The BLM Alaska should continue to utilize the fee schedule developed by the Chugach National Forest (CNF), and incorporated within this schedule by reference, when dealing specifically with commercial film permits.

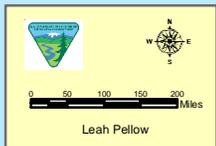
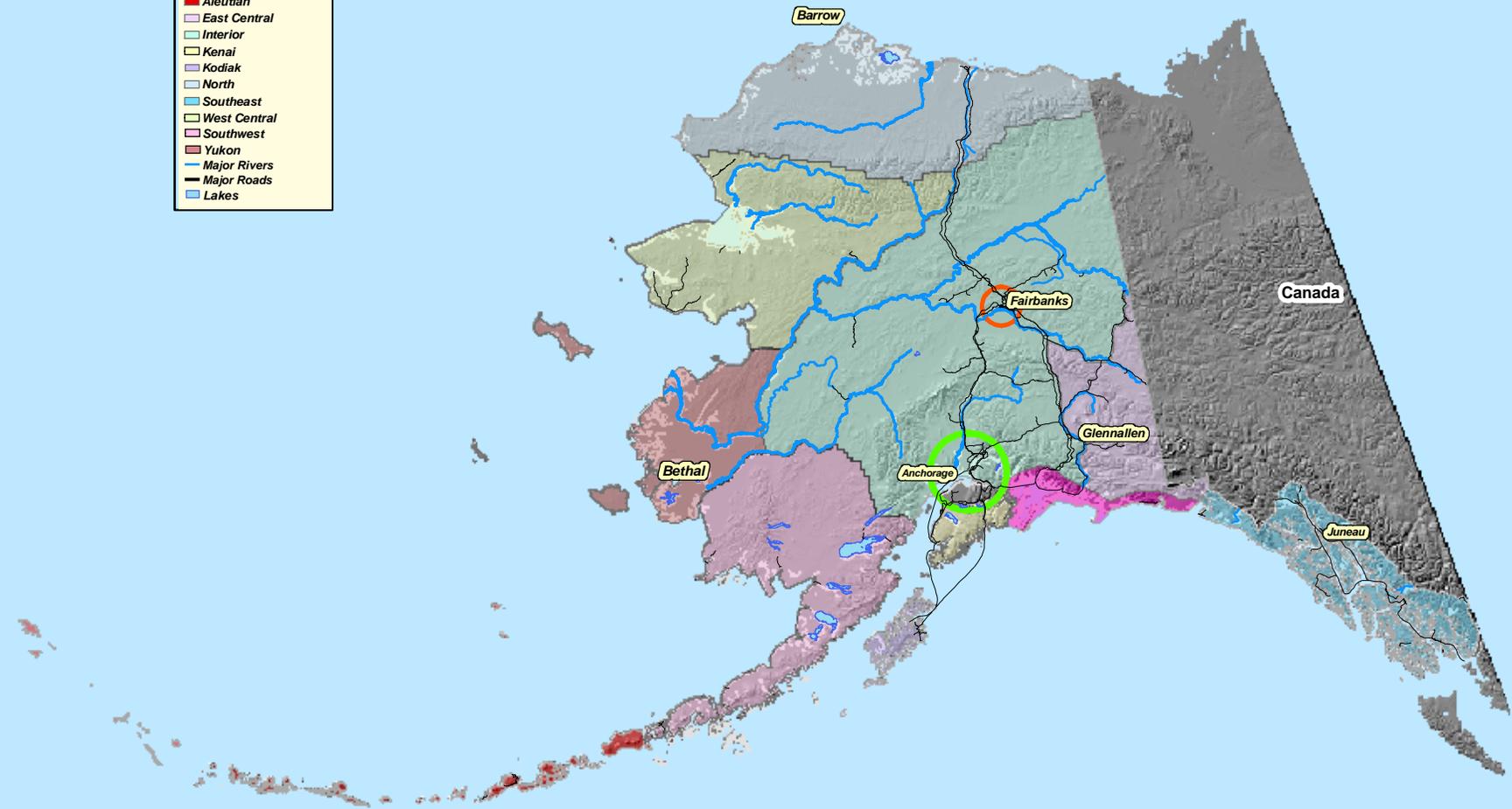
BLM Annual Fee Schedule

Permitted Use	Aleutians	Interior (west-central)	Interior (east-central)	Interior	Prince Wm. South	Southeast	North	Kenai	Kodiak	Yukon Delta	Southwest
Pipeline-buried	\$38/acre	\$36/acre	\$38/acre	\$26/acre	\$58/acre	\$62/acre	\$24/acre	\$58/acre	\$53/acre	\$19/acre	\$62/acre
Pipeline-overhead	\$58/acre	\$54/acre	\$58/acre	\$40/acre	\$86/acre	\$94/acre	\$36/acre	\$86/acre	\$79/acre	\$29/acre	\$94/acre
Utility Line-buried	\$32/acre	\$30/acre	\$32/acre	\$22/acre	\$48/acre	\$52/acre	\$20/acre	\$48/acre	\$44/acre	\$16/acre	\$52/acre
Utility Line-overhead	\$58/acre	\$54/acre	\$58/acre	\$40/acre	\$86/acre	\$94/acre	\$36/acre	\$86/acre	\$79/acre	\$29/acre	\$94/acre
Road	\$61/acre	\$57/acre	\$61/acre	\$42/acre	\$91/acre	\$99/acre	\$38/acre	\$91/acre	\$84/acre	\$30/acre	\$99/acre
Remote possessory leases Less than 5 acres	\$500/site	\$600/site	\$650/site	\$500/site	\$850/site	\$900/site	\$380/site	\$850/site	\$760/site	\$400/site	\$900/site
Remote non-possessory permits	\$250/site	\$200/site	\$225/site	\$200/site	\$250/site	\$250/site	\$200/site	\$250/site	\$250/acre	\$200/site	\$250/site
Commercial film permits	CNF schedule	CNF schedule	CNF schedule	CNF schedule	CNF schedule	CNF schedule	CNF schedule	CNF schedule	CNF schedule	CNF schedule	CNF schedule

Geographic Zones For Fee Schedule

September 7, 2004

- Anchorage Exclusion
- Fairbanks Exclusion
- Prince William Sound
- Aleutian
- East Central
- Interior
- Kenai
- Kodiak
- North
- Southeast
- West Central
- Southwest
- Yukon
- Major Rivers
- Major Roads
- Lakes



**Calendar Year 2012 Cost Recovery Processing and Monitoring Fee Schedule
for FLPMA and MLA Rights-of-Way Actions**

Processing Category	Federal Work Hours Involved	Processing and Monitoring fee per application as of January 1, 2012. To be adjusted annually for changes in the IPD-GDP.
1. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $>1 \leq 8$.	\$115
2. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 8 \leq 24$.	\$403
3. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 24 \leq 36$.	\$760
4. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are $> 36 \leq 50$.	\$1,089
5. Master agreements.	Varies.	As specified in the agreement.
6. Applications for new grants, assignments, renewals, and amendments to existing grants.	Estimated Federal work hours are > 50 .	Full reasonable costs (FLPMA) Full actual costs (MLA)

11.B.1. Winter Use Only Commercial Trapping Cabins. Winter weather conditions present significant risks to health and safety. Therefore, in addition to cabins, and other structures, authorized above, a permit or lease may be issued for commercial use cabins, and other structures, that meet the following requirements:

1. The cabin, and other structures, may only be used for the commercial trapping activities.
2. The cabin, and other structures, may only be used during the winter period commencing 30 days prior to the opening of the trapping season through 30 days after the close of the trapping season.
3. The applicant must provide proof of a substantial commercial trapping activity. In addition to holding all required State, local, or federal permits, licenses, etc., the applicant must show all of the following:
 - a. Sixty days of trapping activity during at least one of the preceding three seasons;
 - b. Ownership of 20 or more traps;
 - c. Receipts for investment in the activity (fuel, trapping equipment, food, etc.); and
 - d. Proof of commercial sale, commercial barter, and/or creation of commercial value added products.
4. Section .7 Terms and Conditions applies. In addition, no single structure authorized under this provision will exceed a foot print of 400 square feet or exceed one and one-half stories.

The authorized officer may authorize Winter Use Only Commercial Trapping Cabins under a permit or by a lease.