



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

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EMS TRANSMISSION: 8/8/2013
Instruction Memorandum No. WY-2012- 043
Expires 9/30/2013

To: District Managers
From: Deputy State Director, Division of Minerals and Lands
Subject: Updated Mineral Material Values

Program Area: Disposals of Mineral Materials

Purpose: This Instruction Memorandum (IM) provides information regarding updated unit values of mineral materials within Wyoming, disposals through sale or permit of which are managed by the Authorized Officials in the Field Offices.

Policy/Action: Mineral material values are to be reviewed and updated on a biennial basis. The appropriate material unit value in Attachment 1 will, until replaced by another mineral material appraisal, be applicable to (1) over-the-counter sales from community pits and common use areas, (2) free use permits (so that the value provided to governmental entities and nonprofit organizations can be reported to the annual public land statistics); (3) all nonrenewable contract sales for which the total purchase price has yet to be paid; i.e., installment payments remain to be made and (4) cases of mineral material trespass in accordance with guidance contained in the Mineral Material Trespass Prevention and Abatement handbook H-9235-1. Authorized Officials (AO) may submit comparable sales data that show any of the unit values in this IM should be higher for a particular geographic area.

For nonrenewable contract sales the updated unit price shall be applied at the start of next calendar month following the date of issuance of this IM. If a nonrenewable contract sale was authorized less than 2 years ago or the last adjustment of value was less than 2 years ago, the updated unit price will be applied at the start of the calendar month immediately following the second anniversary of the sale or second anniversary following the date of the last adjustment.

The unit prices should be used to establish minimum bids for competitive sales unless there have been substantive changes in the local market since the issuance of this IM. In such cases an appraisal utilizing comparable sales data would be completed as part of the application process. The cost of such would add to the case-by-case processing cost estimate. The AO should carefully consider whether or not a unit price in this IM should apply to a contract sale that is undergoing renewal.

The change in appraised value will be indicated by the entry of Action Code 132 with \$*.*;CY or \$*.*;TN in the action remark into LR2000-Case Recordation. A copy of this IM should be placed into the mineral material case file for documentation purposes. For community pits, common use areas and free use permits, the action date shall be the date of receipt by your office of this IM. For nonrenewable contract sales which are not paid in full, the action code shall be entered on the first calendar day of the month the new value will become applicable.

Background: In accordance with 43 CFR 3602.13 the BLM will not sell mineral materials at less than fair market value and may periodically, usually on a 2 year basis, reappraise the value of mineral materials. Washington Office Instruction Memorandum (IM) No. WO-2009-160, Mineral Materials Appraisal Policy allows for the extension of existing appraisals using appropriate Producer Price Index (PPI), published by the Bureau of Labor Statistics to adjust the estimate of the fair market value. The guidance in this IM was extended by IM No. WO-2011-043, Extending Expiration Dates of 2009 Instruction Memoranda.

A long form mineral material appraisal utilizing comparable sales data was completed in late May 2010 and was transmitted to Field Offices via IM No. WY-2010-038 which was dated July 22, 2010. The following table shows the PPI's from May 2010 and May 2012 and the mineral material products to which they are applied.

| Series ID WPU | Seasonally Adjusted? | Group | Item | May 2012 PPI/ May 2010 PPI = | Multiplication factor applied to |
|------------------|-------------------------|------------------------------|---|---------------------------------|---|
| 132101 | N | Nonmetallic mineral products | Construction sand, gravel and crushed stone | 273.7 / 162.1 = 1.044 | Sand, gravel, aggregate, rip-rap, boulders |
| 13990211 | N | Nonmetallic mineral products | Dimension stone | 210.5 / 203.8 = 1.033 | Moss rock, dimension stone (flagstone), decorative rock |
| 139903 | N | Nonmetallic mineral products | Miscellaneous mineral products | 169.8 / 164.6 = 1.032 | Borrow/fill, clinker |

To adjust a 2010 unit prices to an approximate 2010 unit value using PPI's the May 2012 PPI is first divided by the May 2010 PPI with the result being rounded to three digits right of the decimal point. The 2010 unit price is then multiplied by that figure as shown in Attachment 1 with the result being rounded to the closest penny.

If any purchaser is concerned that any of the reappraised values presented in this IM is in error, that party is welcome to present comparable sales data for similar material sold from fee lands that is the result of an arm's length transaction. The mineral material appraisal handbook is H-3630-1.

Timeframe: This IM is effective immediately

Budget Impact: Minimal

Contact: Pete Sokolosky at 307-775-6261, and by email at psokolos@blm.gov.

Distribution

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|---------------------------------|-------------|
| Director (320), 20 M Street, SE | 1 (w/atch.) |
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1 Attachment

1 – Mineral material rate schedule – July 2012