



Federal Accounting Standards Advisory Board

December 2, 2016

Memorandum

To: Members of the Board

Through: Wendy M. Payne, Executive Director

From: Domenic N. Savini, Assistant Director

Subject: **Accounting and Reporting of Government Land Educational Sessions: Interior and DoD Views and Energy, DoD, and GSA's Land Disposal Process - Tab B¹**

MEMBER ACTIONS REQUESTED:

- These are primarily educational sessions. If you have questions before the meeting, please let me know.

MEETING OBJECTIVES

The first meeting objective is to discuss preliminary views of two major land holding entities - the Department of Defense (DoD) and the Department of the Interior (Interior). The second meeting's objective is to obtain an understanding of the federal government's land disposal processes and related fair market value considerations.

Representatives of DoD and Interior requested the opportunity to provide their preliminary views regarding appropriate reporting on land. In addition, staff has invited DoD, the Department of Energy (Energy), Interior, and the General Services Administration (GSA) to provide an entity-specific presentation on land disposal processes. Presentations are scheduled as follows:

- **10:30 - 11:45 AM: Educational Session - Interior and DoD**
 - Interior Representatives: Mr. Doug Glenn, Deputy CFO and Ms. Debra Sonderman, Director of Property Management
 - DoD Representative: Ms. Alaleh Jenkins, DoD Assistant Deputy CFO
- **1:30 - 2:45 PM: Educational Session - Energy, DoD, and GSA's Land Disposal Process**
 - Energy Representatives: Ms. Tynesha Douglass and Mr. John Wall, Office of Financial Risk, Policy, & Controls
 - DoD Representative: Mr. Robert Coffman, Real Property Management
 - GSA Representative: Mr. Edward Gramp, Director of Financial Policy

¹ The staff prepares Board meeting materials to facilitate discussion of issues at the Board meeting. This material is presented for discussion purposes only; it is not intended to reflect authoritative views of FASAB or its staff. Official positions of FASAB are determined only after extensive due process and deliberations.

BACKGROUND

Staff asked four agencies to provide members with an understanding of the federal government's land disposal processes and related fair market value considerations. Agencies that manage public domain² lands usually have specific legislation granting them authority to dispose said land in accordance with Congressional direction. As such, public domain land is generally exempt from having to conform to the GSA process mandated by federal law depicted at attachment 1.

However, it is important to note that for non-public domain land, such as land designated as general property, plant, and equipment, each agency is typically required to follow the GSA process as depicted at attachment 1. Please note that the McKinney-Vento Homeless Assistance Act allows state and local governments and nonprofits to apply for land and buildings that are "suitable and available." Such properties may be used for homeless programs and services - for example, shelters, transitional programs, food banks, job training, storage facilities, or administrative space.

At attachment 2, staff has included material discussed at the June 2016 Board meeting that members may wish to refer to during the educational sessions.

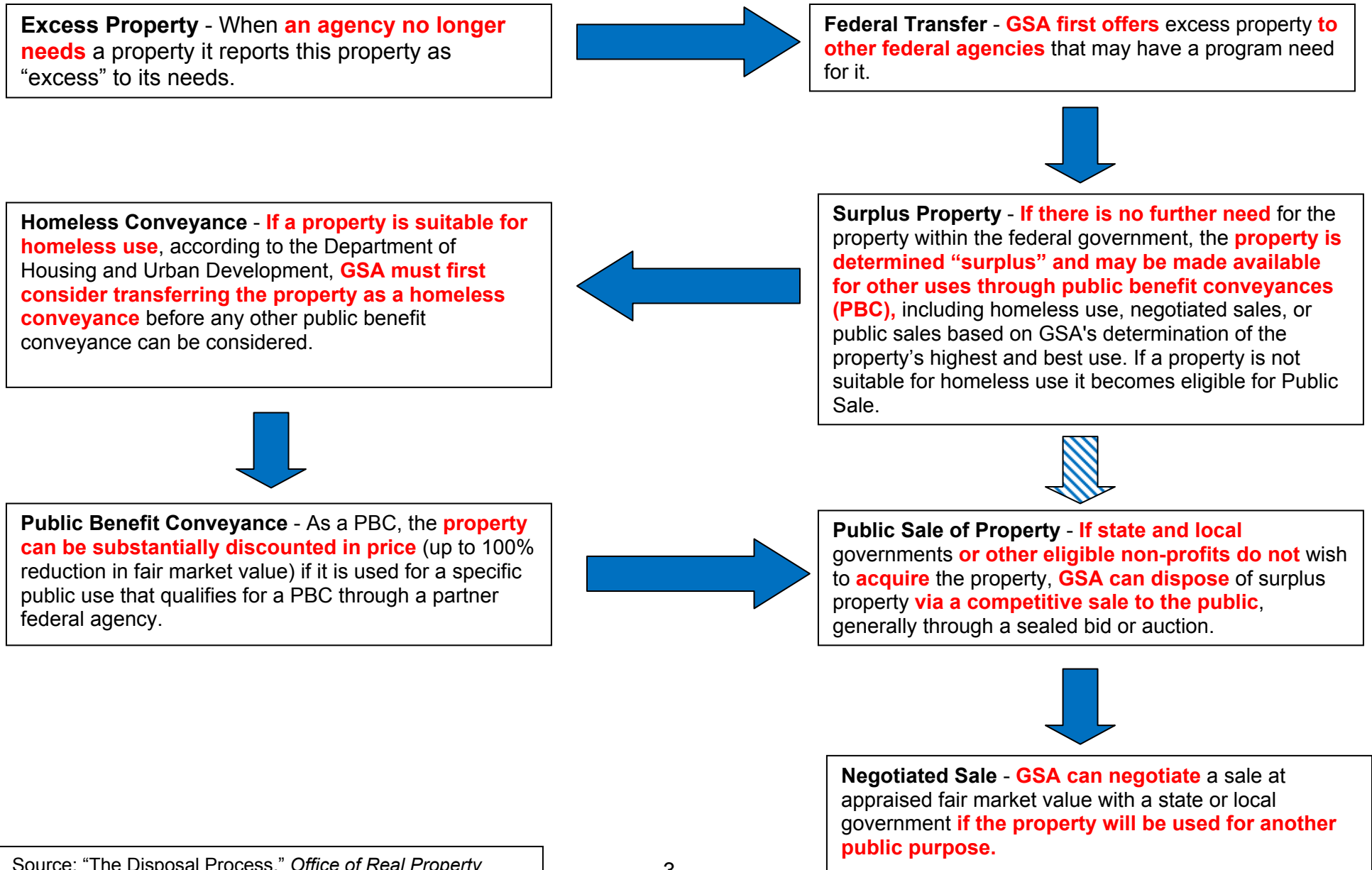
Thank you.

Attachment 1 - GSA Disposal Process

Attachment 2 - Tab B, June 10, 2016; Project Update: *Accounting and Reporting of Government Land*

² Public domain lands are lands owned by the Federal government for the benefit of the citizens of the United States. The original public domain included the land ceded to the Federal Government by the thirteen original States, supplemented with acquisitions from native Indians and foreign powers. It encompasses major portions of the land area of 30 southern and western States. Since the original surveys were completed, much of the land that was originally part of the public domain has been transferred to private ownership and in some areas has been extended, following similar rules of division, into non-public domain areas. Certain lands were excluded from the public domain and were not subject to survey and disposal. These lands include the beds of navigable bodies of water, national installations such as military reservations and national parks, and areas such as land grants that had already passed to private ownership prior to subdivision by the Government. Source: "The Public Land Survey System (PLSS)," *U.S Geological Survey (USGS)*, accessed November 29, 2016, 2016, http://nationalmap.gov/small_scale/a_plss.html.

Attachment 1 – GSA Disposal Process



Source: “The Disposal Process,” *Office of Real Property Utilization and Disposal*, last reviewed April 20, 2016, <http://www.gsa.gov/portal/content/101694>.

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Location: VA

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Land

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[Former NIKE Site D-58](#)
(CHICA116008002)
Location: MI

\$100,000
0 bids
Closing: TBD*

(*) Possible Extension. See Bidding Rules

We see it's located in Michigan and the bid price is \$100,000 with no bidders. Let's drill down some more.

Source: "Land," *General Services Administration*, accessed November 9, 2016, 7:58am.
<https://gsaauctions.gov/gsaauctions/aucitsrh/>.

Former NIKE Site D-58

Sale-Lot Number: CHICA116008002

Sale Type: Online Auction

City, State: Newport, MI

Current Bid: 100,000 USD

Bidders: 0

Close Time: TBD

Time Remaining: **TBD**

IFB #: CHICA116008002

Case #: 1-D-MI-0536

Place Bid

Add to favorites

Description

Bidding Details

Bid History

Item Location

BID DEPOSIT REQUIRED: \$10,000.00

OPEN HOUSE TO BE HELD FRIDAY NOVEMBER 4, 2016 FROM 10:00 AM - 2:00 PM EST!

The property consists of a 36.35 acre parcel of land in Newport, Michigan, which sits approximately 30 miles SW of Detroit, Michigan. There are three buildings located on the property totaling 11,447 square feet. All of the buildings are in extremely poor condition, and are considered unsafe for entry.

THE CONDITION OF THE PROPERTY IS NOT WARRANTED.



Now, let's take a closer look at information GSA provides concerning this property.

Source: "Former NIKE Site D-58," *General Services Administration*, accessed November 9, 2016, 8:14am.
<https://gsaauctions.gov/gsaauctions/aucitdsc/?sl=CHICA116008002>.

Attachment 1 – GSA Disposal Process

Information GSA provides on Former NIKE Site D-58

Geo-Spatial & Image Information

1. Ground-level photographs
2. Satellite Image: “Google Analytics Object”
3. Address: 800 E. Newport Road, Newport, MI, 48166
4. Reference to Google Maps and MapQuest for accurate property location and directions

Property Description

1. Sale Type: Online Auction
2. City, State: Newport, MI
3. Current Bid: 100,000 USD
4. Acreage: 36.35 acre parcel
5. Location from closest metropolitan area: approximately 30 miles SW of Detroit, Michigan
6. Improvements: three buildings located on the property totaling 11,447 square feet
7. Condition of improvements: buildings are in extremely poor condition and are considered unsafe for entry

Bidding Details

1. Auction description and bidding rules
2. Current high bid: 100,000 USD
3. Bid increment: 2,500 USD
4. Inactivity period: 1440
5. Run length: 9999 (number of days auction is scheduled to run)
6. Start time: 09/20 02:00 PM
7. Close time: TBD
8. Status: open

Bid History

1. Bidders in the auction (current top 10 bidders)
2. Bidder, bid amount, and date-time of bid

Item Location

1. 800 E. Newport Road, Newport, MI, 48166

Attachment 2 – Tab B, June 10, 2016

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Federal Accounting Standards Advisory Board

June 10, 2016

Memorandum

To: Members of the Board

From: Domenic N. Savini, Assistant Director

Through: Wendy M. Payne, Executive Director

MEMBER ACTIONS REQUESTED:

- Approve Next Steps identified on page 20.
- Approve staff decisions to limit consideration of items in Question 2 beginning on page 21.

Subject: **Project Update: Accounting and Reporting of Government Land.¹ – Tab B**

MEETING OBJECTIVE

The objective of this memorandum is **to provide the Board with an update** on the progress of the *Accounting and Reporting of Government Land* project and obtain approval of next steps.

BRIEFING MATERIAL

This staff memorandum consists of (1) a brief background of the project plan, (2) a summary of actions taken to date, (3) a review of the task force composition, (4) a review of staff-developed land-use categories, (5) the results of the one-on-one fact-finding meetings with the Department of Defense (DoD), Department of Energy (Energy), and the Department of the Interior (Interior), and (6) staff's proposed next steps and questions for the Board.

Lastly, staff has compiled optional reading information presented as appendices that may assist members in better understanding the federal government's land holdings.

Thank you and I look forward to our meeting.

Appendix 1, Federal Land-Use Designations

Appendix 2, Federal Land Overview

¹ The staff prepares Board meeting materials to facilitate discussion of issues at the Board meeting. This material is presented for discussion purposes only; it is not intended to reflect authoritative views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations.

Table of Contents

BACKGROUND	3
SUMMARY OF ACTIONS TAKEN TO DATE.....	4
LAND TASK FORCE COMPOSITION.....	5
STAFF DEVELOPED LAND-USE CATEGORIES.....	6
DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS	7
NEXT STEPS.....	20
QUESTIONS FOR THE BOARD	21
APPENDIX 1 - FEDERAL LAND-USE DESIGNATIONS	24
GSA LAND-USE DESIGNATIONS	25
GAO LAND USE DESIGNATIONS.....	26
APPENDIX 2 - FEDERAL LAND OVERVIEW.....	30
FIGURE 1.0 – HISTORY OF U.S. EXPANSION	31
TABLE 1.0 – HISTORICAL ACREAGE AND COST.....	32
FIGURE 2.0 – STATE DISTRIBUTION OF FEDERAL LAND.....	33
CHART 2.0 - REGIONAL DISTRIBUTION OF FEDERAL LAND.....	34
TABLE 2.0 – PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES	35
FIGURE 3.0 - WESTERN LAND MANAGED BY THE U.S. GOVERNMENT.....	38
TABLE 3.0 - WESTERN LAND: PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES.....	39
FIGURE 4.0 - EASTERN LAND MANAGED BY THE U.S. GOVERNMENT.....	40
TABLE 4.0 - EASTERN LAND: PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES.....	41
FIGURE 5.0 - NON-CONTINENTAL LAND MANAGED BY THE U.S. GOVERNMENT	43
Table 5.0 - NON-CONTINENTAL LAND MANAGED BY THE U.S. GOVERNMENT	43
ENDNOTES: TABLE 1.0 AND VALUE IN USE	44

BACKGROUND

BACKGROUND

The Board members approved the proposed project plan at the February 2016 meeting. The project plan includes the following specific objectives:

- a. Obtain an understanding of how predominant use or managerial intent influences (1) the information needs of users and (2) identification of the most relevant reporting objective(s).
- b. Identify the measurement attribute(s) and/or nonfinancial attributes most appropriate for meeting the reporting objectives.
- c. Assess practical limitations of the selected measurement attributes or nonfinancial attributes; examples include factors to consider in establishing fair value (such as determining the *highest and best use*), as well as what is legally permissible, physically possible, and economically feasible.
- d. Obtain agency feedback and best practices relevant to assessing the cost benefit associated with options under consideration.
- e. Recommend recognition, measurement, and disclosure requirements.

Additionally, members asked staff to carefully consider the following issues:

- a. The type of information entities need to manage program requirements
- b. Fair value measurements and potential valuation inconsistencies that intended-use classifications and related changes could have on said measurements
- c. Whether land held for sale should be fair valued and if so, subject to impairment
- d. Reliability of buyer-oriented appraisals
- e. Whether a new standard on land should replace Statement of Federal Financial Accounting Standards (SFFAS) 6 and/or SFFAS 29

SUMMARY OF ACTIONS TAKEN TO DATE

SUMMARY OF ACTIONS TAKEN TO DATE

Shortly after the February meeting, staff began executing the project plan by finalizing its research and developing initial issues for discussion. To date, in addition to the agency one-on-one meetings, staff has taken the following actions in connection with this phase of the project:

1. Updating the literature review by identifying relevant materials from other standards setters

- a. United Kingdom Accounting Standards Board (ASB) and the International Public Sector Accounting Standards Board (IPSASB) January 2006 discussion paper: *Heritage Assets: Can Accounting Do Better?*
- b. Current IPSASB coordination with Ms. Gwenda Jackson; Heritage Assets

2. Reviewing relevant Inspectors General, Congressional Budget Office, Government Accountability Office, and Congressional Research Service reports

- a. Congressional Research Service, *Federal Land Ownership: Overview and Data*, December 29, 2014
- b. General Services Administration, *Federal Real Property Council 2015 Guidance for Real Property Inventory Reporting*, October 29, 2015
- c. Government Accountability Office, *Federal Land Management: Availability and Potential Reliability of Selected Data Elements at Five Agencies*, April 2011

3. Consulting with academia and public policy organizations

- a. DoD's Army Research Laboratory – Dr. Jinelle Sperry, Wildlife Biologist
- b. University of Tennessee – Dr. Paul Armsworth, Biological Sciences and Mathematics
- c. Reason Foundation – Leonard Gilroy, Director of Government Reform

4. Identifying relevant valuation/appraisal topics and related accounting issues

- a. Alternatives to fair market appraisals
- b. Appraising land rights: separable and inseparable
- c. One-on-one, fact-finding meetings with DoD, Interior, and Energy

5. Identifying potential primary agency land-use categories

6. Recruiting task force members

LAND TASK FORCE COMPOSITION

LAND TASK FORCE COMPOSITION

We have received a significant amount of interest in this project from both federal and private communities. Forty-seven people to-date have asked to either join the task force or become active followers of our work. Our first meeting is scheduled for July 7, 2016.

Figure 1 breaks down task force representation, whereas Figure 2 shows the professional disciplines represented on the task force.

Figure 1
Land Task Force Representation

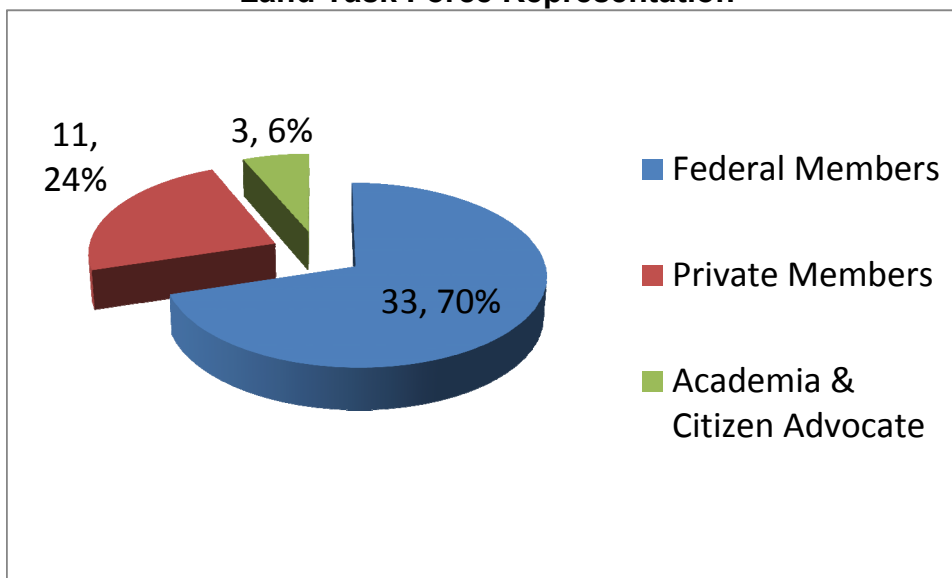
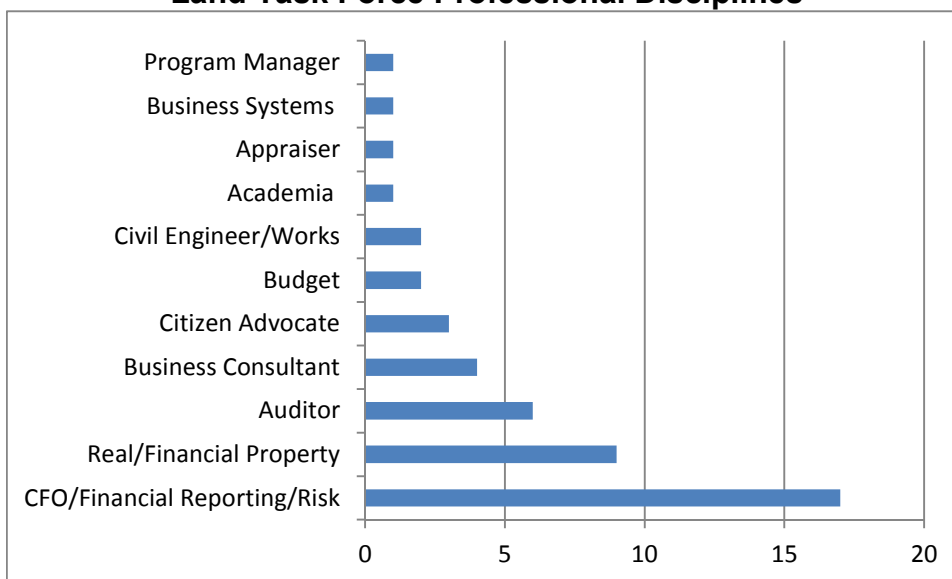


Figure 2
Land Task Force Professional Disciplines



STAFF DEVELOPED LAND-USE CATEGORIES

STAFF DEVELOPED LAND-USE CATEGORIES

Based on staff's initial review, there are two primary federal sources that address land-use designations for federal lands: *Federal Real Property Inventory Reporting* from the General Services Administration (GSA) and a Government Accountability Office (GAO) report entitled *Federal Land Management: Availability and Potential Reliability of Selected Data Elements at Five Agencies* (2011). The GSA reporting guidelines currently identify 24 (plus "all other") discrete land-use designations. The GAO report examined 57 discrete land and resource data elements collected by five federal agencies.² Due to the limitations noted below, staff will need additional resources to identify the land-use designations deemed most appropriate for federal financial reporting purposes:

- The GAO report did not cover DoD land-use activities. The purpose of the report was to evaluate data availability and reliability at land management agencies.
- The GSA reporting guidelines exclude several land-use activities, such as (1) land held in trust or restricted for individual Indians or Indian tribes, (2) public domain land (including lands withdrawn for military purposes), (3) land easements or rights-of-way, (4) land reserved or dedicated for national forests, parks, or wildlife refuge purposes, and (5) land or interests in land that are not reported for reasons of national security, foreign policy, or public safety.

Staff analyzed the land use designations identified by GSA and GAO and has tentatively identified the following land-use categories for task force discussion:

<u>Potential Primary Agency Land-Use Categories</u>		<u>BLM</u>	<u>FS</u>	<u>FWS</u>	<u>NPS</u>	<u>DOD</u>
1	Conservation (Land, Rivers, Plants, or Animals)	X	X	X		
2	Endangered Species, Critical Environment	X				
3	Land Disposal	X				
4	Livestock Grazing and Herd Management	X	X			
5	Military Readiness and Training					X
6	Mining	X				
7	National Forests, Reserves, Preserves, Refuges	X	X	X	X	
8	National Parks, Monuments, Cemeteries, etc.	X	X	X	X	
9	Oil, Coal and Gas Development	X				
10	Preservation (Nature, Culture, Historic, etc.)		X		X	
11	Recreation	X	X	X	X	
12	Timber Cutting/Harvesting	X	X	X		
13	Timber Preservation		X			
14	Watershed and Water Resources	X				
15	Wildlife and Fish Habitat, Waterfowl	X	X	X		

² **Note:** Forest Service (USDA) and Interior's Bureau of Land Management (BLM), Fish and Wildlife Service (FWS), National Park Service (NPS), and Bureau of Reclamation and Department of Defense (DOD).

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
Land Background	The majority of DoE's land holdings were acquired by its predecessor, the U.S. Atomic Energy Commission (AEC) during and shortly after World War II; 1942-1950. The AEC received this land from the U.S. Army Corps of Engineers who were in charge of the Manhattan Project. The remaining portion of the agency's land holdings were subsequent land acquisitions made in connection with its mission requirements.	DoD is the oldest and largest agency, tracing its roots back to pre-Revolutionary times. It administers 25.7 million acres in the United States, primarily consisting of military bases and training ranges. Anecdotal history traces land acquisitions to (1) original colonies conveying land to the newly formed federal government, (2) establishment of forts and out-posts, (3) exercise of eminent domain authority, (4) transfers from other agencies, and (5) major acquisitions with the last being during the Second World War.	In addition to treaties established with Native American tribes, Interior acquires land via various Congressional authorizations/laws. Interior's activities can be broadly characterized as those which (1) manage lands "in trust" for the Native American people, (2) conserve and/or preserve lands for future generations, and (3) manage commercial interests on federal land. Interior is also responsible for managing the outer-continental shelf: 200 miles of off-shore waters.	<p>Mission differences are clearly seen:</p> <ul style="list-style-type: none"> • 1789: War Department/DoD was created to administer army/navy operations. • 1849: Congress established the Home Department/Interior to handle domestic matters, which included regulation of territorial governments and exploration of the western wilderness. • 1946: AEC/DoE came into existence as an outgrowth of the war effort and to place civilian authority over nuclear technology.

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
Accounting System	<ul style="list-style-type: none"> DoE relies on 29 feeder systems, which are run independently by contractors. Two of these are not integrated and require labor intensive data calls.³ Land acquisitions are accounted for at acquisition costs. 	<ul style="list-style-type: none"> DoD relies primarily on four real property reporting systems for land.⁴ For validation of financial reporting, reconciliation is performed quarterly between the accountable entity and the financial reporting entity. Some believe that the system utilized by the U.S. Army Corps of Engineers has a higher degree of financial integration than the other services. 	<ul style="list-style-type: none"> DOI uses a centralized accounting system that does not contain acreage or related information of public land (nonadministrative). Bureaus maintain stewardship land (SL) data in decentralized databases and would collect nonfinancial information, requiring roll-up via labor-intensive data calls. Current land acquisitions are 	<p>Significant systems interface and integration issues exist at each round-table agency.</p> <ul style="list-style-type: none"> Data is maintained by those directly responsible for land administration. The Chief Financial Officer (CFO) is highly dependent upon feeder systems; some of which are non-financial and/or nonintegrated. Reporting is highly dependent upon underlying internal controls—some of

³ Data calls occur when contractors feed their trial balances into DoE's financial management system.

⁴ The four real property reporting systems for land are the Army Corps of Engineers (USACE), Navy, Air Force, and Washington Headquarter's Service.

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
		<ul style="list-style-type: none"> Current land acquisitions are accounted for at acquisition costs. 	accounted for at acquisition costs. ⁵	which may be beyond the CFO's direct control or remit.
General Land Policy	<ul style="list-style-type: none"> DoE has independent authority to dispose of land but must notify Congress and the Office of Management and Budget (OMB). Where appropriate, DoE donates land holdings to surrounding communities. However, this requires consideration of environmental liabilities and related indemnifications. 	<ul style="list-style-type: none"> DoD does not have independent authority to dispose of land but must notify Congress and OMB DoD is in a stabilization mode and requires Congressional approval to reduce its portfolio; for example, the Defense Base Closure and Realignment Commission. 	<ul style="list-style-type: none"> Interior does not have independent authority to dispose of land. Excluding exchanges, GSA typically handles Interior land disposals. However, GSA has delegated disposal authority to the NPS, FWS, and BLM. Interior is primarily in a stabilization mode and considers itself to be in the "forever" business. Lands may be conveyed to states at no cost to provide 	<p>Congressional or OMB notifications or approvals are not always required.</p> <p>Agencies are basically in stabilization mode.</p>

⁵ Incidental land acquisition costs (appraisal costs, survey costs, etc.) associated with Interior's land acquisition are identified and accounted for in the department's financial system, but may not be tied to a specific property acquisition due to the length of time (years) and other complexities associated with acquisition.

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
			a public benefit (public benefic conveyances).	
Land Rights	<ul style="list-style-type: none"> Not seen as a material matter other than for easements held by the agency's Power Marketing Administrations.⁶ This information resides in real property records and is not currently accounted for in the general ledger. 	<ul style="list-style-type: none"> Not seen as a material matter. DoD questions categorizing land rights as assets and suggests that they be treated analogous to operating leases: expensed as incurred. Land rights do not fully convey ownership or control. User needs should be a primary driver in how these get reported, if at all. 	<ul style="list-style-type: none"> Not seen as a material matter. Interior acquires land rights through easement purchases, including purchases of conservation easements and rights-of-way. The land rights Interior acquires vary depending on the project and the rights the landowner is willing to sell. Rights-of-way are separately purchased. 	Existence of separable land rights may be immaterial and costs to isolate them might exceed benefits.
Land Improvements	<ul style="list-style-type: none"> This is not seen as a material issue, and the agency belief is 	<ul style="list-style-type: none"> This is not seen as a material issue, and the agency belief is 	<ul style="list-style-type: none"> This is not seen as a material issue, and the agency belief is 	Existing guidance appears sufficient.

⁶ There are three power marketing administrations with landholdings that reside within DoE: Bonneville Power Administration, Western Area Power Administration, and Southwestern Power Administration.

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
	that SFFAS 6 and related environmental guidance concerning asset remediation/liability reductions is adequate in this regard.	that SFFAS 6 and related environmental guidance concerning asset remediation/liability reductions is adequate in this regard. <ul style="list-style-type: none">DoD suggests we clarify whether land improvements include land alterations such as creating a berm.	that SFFAS 6 guidance concerning asset recognition is adequate in this regard. ⁷ <ul style="list-style-type: none">Interior notes that this affects mostly their general property, plant, and equipment (GPP&E), however levies and roads are constructed on stewardship land.	
Uniform Accounting	<ul style="list-style-type: none">DoE does not see a compelling need to develop a single set of rules for all land holdings or to eliminate current distinctions: GPP&E land and stewardship land.	<ul style="list-style-type: none">Although DoD sees a benefit of having a uniform—“<i>land is land</i>”—accounting policy, current distinctions (SL and GPP&E) may help bring clarity to assist internal/external users.	<ul style="list-style-type: none">Interior disagrees on having a uniform—“land is land”—accounting policy and suggests that such a policy could eliminate clarity that now exists.Such a policy removes the concept that special places have been set aside	Current land classifications bring clarity to reporting.

⁷ Interior’s project oriented land acquisitions and construction often accompanies water management initiatives.

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
			<p>for all—truly stewardship land.</p> <ul style="list-style-type: none"> To say that GPP&E and SL characteristics are the same does a disservice to recognizing the importance of SL. SFFAS 6 and SFFAS 29 generally serve them well. 	
Data Integrity and Reliability	<ul style="list-style-type: none"> DoE is fairly confident that its financial and real property records, which are already being audited by an independent public accountant (IPA), would produce reliable information for reporting purposes. DoE, through its real property system, could provide information on acres, acres by site, predominant use, 	<ul style="list-style-type: none"> DoD is fairly confident that its real property records, some of which are already being audited by an IPA, would produce reliable information for accountability (staff notes—not necessarily accounting or financial reporting) purposes. USACE has already received a favorable opinion of land that is related to civil 	<ul style="list-style-type: none"> Interior notes that differences brought about by (1) the agency's need to follow different business rules and (2) a lack of precision could lead to attestation and assurance issues. Because Interior has not been reporting acreage for at least the last four years, establishing beginning balances of acreage would be a massive project. 	<p>Data integrity and reliability over public domain land is questionable.</p> <p>Two Preparers (DoE and DoD) seem readily able to report acreage information.</p>

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
	proximity to closest/largest city, and disposal eligibility. However, it cautions that data availability may vary by site.	works. <ul style="list-style-type: none"> DoD, through its real property systems, could provide information on acres, acres by site, predominant use, location, metropolitan statistical areas and rural urban code information, and disposal eligibility. 	<ul style="list-style-type: none"> Interior notes that there are discrepancies between the Federal Real Property Profile (FRPP)-required GPP&E land (not public domain land) attributes and those collected through its real property systems. Such discrepancies, brought about by different business rules or management needs, could result in a significant amount of reconciliation effort where the cost may exceed the benefit. 	
Audit Challenges	<ul style="list-style-type: none"> <u>Lack of comparability</u> – Differences in reported data, especially nonfinancial, throughout DoE may result in a comparability (for 	<ul style="list-style-type: none"> <u>Lack of comparability</u> – Differences in reported financial value information between agencies may result in a comparability (for example, roll-up) 	<ul style="list-style-type: none"> <u>Lack of comparability</u> – Differences in reported acreage information between years could arise due to additions/deletions 	Lack of comparability (for example, due to a mission) should be expected and can be explained.

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
	<p>example, roll-up) issue at the agency-wide level.</p> <ul style="list-style-type: none"> • <u>Increased costs</u> – To help lessen preparer burden and audit cost, DoE would prefer that any nonfinancial information associated with land be shown as <i>other accompanying information</i> (OAI). 	<p>issue at the agency-wide level.</p> <ul style="list-style-type: none"> • <u>Increased costs</u> – To help lessen preparer burden and audit cost, DoD would agree that any nonfinancial information associated with land could be shown as <i>required supplementary information</i> (RSI). 	<p>of land/parcels.</p> <ul style="list-style-type: none"> • <u>Increased costs</u> – Questions concerning precise physical location (longitude and latitude) may exist for a significant amount of land holdings. Such an issue could result in a significant amount of reconciliation effort, where the cost may exceed the benefit. • To help lessen preparer burden and audit cost⁸, Interior recommends that any nonfinancial information associated with land should be shown as <i>other accompanying information</i>. 	<p>Two preparers (DoE and Interior) prefer OAI over RSI reporting to help lessen burden.</p>

⁸ When SFFAS 29 moved HA and SL from Supplementary Information to Basic, Interior experienced substantial audit costs especially when auditors traveled to many locations confirming the existence of Museum Collections. Interior envisions similar costs as it is unlikely that the auditors would be satisfied with reviewing Land deeds only as confirmation of “existence”.

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
Assigning Fair Value	There are too many unknown variables—although doable, DoE advises that this would be costly and complicated due to (1) assumptions that would be made well in advance of transaction details being known and (2) its environmental liabilities and related indemnification issues.	<ul style="list-style-type: none"> There are too many unknown variables—although doable, DoD advises that this would be extremely costly and complicated due to assumptions that would be made well in advance of transaction details being known. Fair values have a limited life. Fair value appraisals, if not exempt from the Freedom of Information Act, could be prejudicial to the agency by negatively impacting the government's negotiating position. 	<ul style="list-style-type: none"> Fair value over stewardship land could easily lead to disagreements with auditors concerning the assumptions used in determining the fair value. Interior's Office of Valuation Services (OVS) has a staff of highly trained real estate appraisers and mineral evaluators (geologists and physical scientists) available to support all DOI bureaus with valuation of real estate and mineral resources. Use of OVS is required by secretarial order for DOI bureaus. 	<p>Due to increased costs, fair value measurements should only be applied in limited cases/situations.</p> <p>Other measurement attributes should be considered; see related staff note below concerning value-in-use.</p>
Estimating Values (for example, to include other methods in addition)	<ul style="list-style-type: none"> <u>Use of non-appraisal methods</u> – Other valuation methods such as payment in 	<ul style="list-style-type: none"> <u>Use of non-appraisal methods</u> – Although other valuation methods may be 	<ul style="list-style-type: none"> <u>Use of non-appraisal methods</u> – Historically, Interior has found that 	<p>The Value-in-Useⁱ measurement basis should be considered as an alternate to fair</p>

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
to formal appraisals)	<p>lieu of taxes (PILT) or estimates of value based on “current-use” may be less burdensome and less costly.</p> <ul style="list-style-type: none"> • <u>Frequency of valuations</u> – How often valuations are expected to be conducted is a significant factor to consider when deciding on an appropriate measurement attribute. 	<p>less burdensome and less costly from a preparer’s point of view, audit challenges may arise regarding the use of non-appraisal methods.</p>	<p>internal management estimates are not as robust as those developed using appraisal standards and guidelines.</p>	<p>value estimates.</p> <p>Two agencies (DoD and Interior) caution the use of in-house estimates.</p>
Impairment	<p>Impairment is not seen as a material issue, and the agency belief is that SFFAS 6 and related environmental guidance concerning asset remediation/liability reductions is adequate in this regard.</p>	<p>Impairment is not seen as a material issue, and the agency belief is that SFFAS 6 and related environmental guidance concerning asset remediation/liability reductions is adequate in this regard.</p>	<p>Impairment is not seen as a material issue, and the agency belief is that SFFAS 44 is adequate in this regard.</p>	<p>Staff believes no further research is required.</p>
Other	<ul style="list-style-type: none"> • <u>Preparer burden</u> – DoE is concerned that any forthcoming 	<ul style="list-style-type: none"> • <u>DoD financial systems</u> (not real property systems) 	<ul style="list-style-type: none"> • <u>Questioning Project</u> – Some question the need for a land 	<p>Round table agencies shared their preparer burden concerns.</p>

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
	<p>guidance may not be cost justified in light of purported benefits: increased stewardship or operating performance objectives.</p> <ul style="list-style-type: none"> • <u>OAI presentation</u> – To help lessen preparer burden and audit costs, DoE would prefer that any nonfinancial information associated with land be shown as OAI. • <u>Use of land resources by treaties or agreements</u> – For example, some agencies participate in the Antarctica consortium, where they have the use of this land via an international treaty. Aside from the casual debate as to whether “ice” constitutes land, 	<p>are not integrated sufficiently enough to avoid extreme preparer burden</p> <ul style="list-style-type: none"> • <u>Shrinking budgetary resources</u> compel DoD to question any forthcoming guidance that may not be cost justified in light of purported benefits. • <u>RSI presentation</u> – To help lessen preparer burden and audit costs, DoD would agree that any nonfinancial information associated with land could be shown as RSI. • <u>Use of land resources by treaties or agreements</u> – For example, Status of Forces Agreements (SOFA) allows DoD the use of land. DoD would ask that such 	<p>project, noting that during the development of SFFAS 29 a robust body of esteemed professionals spent countless hours discussing and developing the standards currently in place. Financial reporting should be based on principles such as the conceptual framework, established criteria, and research—not pursuant to fleeting political concerns/questions.</p> <ul style="list-style-type: none"> • <u>Acreage Reporting</u> - Not all of Interior agrees with reporting acreage. The cost of gathering the acreage for all of its administrative management units and each year's changes (as land is added, subtracted, 	<p>All three agencies agree that nonfinancial information concerning land should not be presented as basic information—that is, not disclosed in notes.</p> <p>Two Preparers (DoE and Interior) prefer OAI over RSI reporting.</p> <p>Acreage is not universally accepted (for example, by Interior) as a reporting element.</p>

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
	would the use of such a resource be recognized as an asset?	land be exempt from any forthcoming guidance.	<p>traded or reclassified) would appear to far exceed the benefit of reporting the acreage.</p> <ul style="list-style-type: none"> Historically, Interior notes that users are best served with “unit” information as opposed to acreage information. This is primarily due to the fact that people can better identify with the number of national parks managed, as opposed to undifferentiated acreage information. Unit information also reflects the significance and importance of the park units.⁹ <u>OAI presentation</u> -To 	<p>Two potential exclusions to land reporting have been identified: jointly managed/operated land and land provided by foreign governments for an indeterminate period.</p>

⁹ For example, the Belmont-Paul Women’s Equality National Monument established on April 12, 2016, by Presidential Proclamation 9423 contains approximately .34 acres. The acreage measure is not indicative of its importance as a National Monument.

DOD, ENERGY, AND INTERIOR ONE-ON-ONE MEETINGS

Topical Area	Department of Energy (DOE)	Department of Defense (DoD)	Department of Interior (DOI)	Staff Notes
			<p>help lessen preparer burden and audit costs, Interior recommends that any nonfinancial information associated with land should be shown as OAI.</p> <ul style="list-style-type: none"> • Preparer burden is still a consideration, even if land is included in OAI. DOI is interested in ways to reduce overall reporting costs, which SFFAS 29 provided. If acreage reporting is implemented, this would be a step backwards. 	

NEXT STEPS

NEXT STEPS

Consistent with project goals, staff has initially engaged the preparer community most impacted by this work and now plans to address issues with the broader task force.

This effort will serve as a basis for recommendations to the Board for exposure draft development. Staff expects that the Board will develop and expose guidance in calendar year 2017, finalizing the Statement during the early part of calendar year 2018.

July 2016

- Task force to review results of agency one-on-one meetings and land-use categories developed by staff

August - December 2016

- Further develop nonfinancial (for example, acreage) reporting recommendations
- Identify most appropriate reporting venue for nonfinancial information (for example, Basic, RSI, or OAI)
- Further develop measurement and recognition recommendations
- Begin developing draft exposure draft

January 2017 – May 2017

- Finalize and issue exposure draft

May 2017 – April 2018

- Finalize guidance or standards

QUESTIONS FOR THE BOARD

QUESTIONS FOR THE BOARD

Question 1 – Does the Board agree with staff’s recommended next steps listed on the prior page? If not, are there any changes or additions that staff should consider?

Staff proposes to initiate task force discussions in two areas: land-use designations followed by a critical analysis of the agency one-on-one meeting results. Staff believes beginning with land-use designation is important, as it will help task force members better understand the purposes for which land is being managed on behalf of the public. In turn, this understanding should help shape future discussions concerning both nonfinancial reporting elements and measurement and recognition issues relative to land valuation.

Question 1

Does the Board agree with staff’s recommended next steps listed on the prior page? If not, are there any changes or additions that staff should consider?

Question 2 – Contingent upon task force review and advice, does the Board agree with staff’s preliminary recommendation that, pursuant to our agency one-on-one meetings, some topics appear not to warrant additional fact finding within the scope of this project? These include the following topics:

- a. Land rights – It appears that the existence of separable land rights may be immaterial.
- b. Land improvements - It appears that existing guidance (SFFAS 6) is sufficient.
- c. Uniform accounting - It appears that there is fairly strong support for retaining current land classifications (keeping GPP&E land and SL categories as is) because they bring clarity to financial reporting. The project will proceed with the assumption that these two classifications will be retained. (The specific standards will be evaluated.)
- d. Impairment – It appears that existing guidance (SFFAS 6 and SFFAS 44) is sufficient and that preparers do not see this as a material issue.

QUESTIONS FOR THE BOARD

Question 2

Contingent upon task force review and advice, does the Board agree with staff's preliminary recommendation that, pursuant to our agency one-on-one meetings, some topics appear not to warrant additional fact finding within the scope of this project?

Question 3 – Does the Board wish to discuss any other matter not identified by staff?

Based on this session's update or in general, are there any other matters or areas that the Board would like to see explored or researched by staff?

Question 3

Does the Board wish to discuss any other matter not identified by staff?

QUESTIONS FOR THE BOARD

Question 1 – Does the Board agree with staff’s recommended next steps listed on the prior page? If not, are there any changes or additions that staff should consider?

Question 2 - Contingent upon task force review and advice, does the Board agree with staff’s preliminary recommendation that, pursuant to our agency one-on-one meetings, some topics appear not to warrant additional fact finding within the scope of this project?

Question 3 – Does the Board wish to discuss any other matter not identified by staff?

The objective of this session is to provide the Board with an update on the progress of the project concerning the accounting and reporting of government land and obtain approval of next steps.

If you require additional information or wish to suggest another alternative not considered in the staff proposal, please contact staff as soon as possible. In most cases, staff will be able to respond to your request for information and prepare to discuss your suggestions with the Board, as needed, in advance of the meeting. If you have any questions or comments prior to the meeting, please contact me by telephone at 202-512- 6841 or by e-mail at savinid@fasab.gov with a cc to paynew@fasab.gov.

APPENDIX 1 - FEDERAL LAND-USE DESIGNATIONS

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FEDERAL LAND-USE DESIGNATIONS

GSA Land-Use Designations

GSA's 2015 guidance for real property inventory reporting establishes 25 predominant land use categories, which agencies are required to use to classify their land holdings in the FRPP system. Please note that reporting is optional for the following real property assets:

- Land easements or rights-of-way held by the federal government
- Public domain land (including lands withdrawn for military purposes) or land reserved or dedicated for national forest, national park, or national wildlife refuge purposes, except for improvements on those lands
- Land held in trust or restricted-fee status for individual Indians or Indian tribes
- Land, and interests in land, that are withheld from agency heads for reasons of national security, foreign policy, or public safety

GSA defines predominant use as the greatest use of the real property asset (land, building, or structure). For example, buildings used primarily for office purposes are classified as "office," even though certain portions of them may be used for storage or research. A real property asset may only have one predominant use code. The 25 predominant land use categories follow:

1	Agriculture			14	Outpatient Healthcare		
2	Airfields			15	Parks and Historic Sites		
3	Communication Systems			16	Post Office		
4	Flood Control and Navigation			17	Power Development and Distribution		
5	Forest and Wildlife			18	Reclamation and Irrigation		
6	Grazing			19	Research and Development		
7	Harbors and Ports			20	Space Exploration		
8	Housing			21	Storage		
9	Industrial			22	Training Land		
10	Institutional			23	Vacant		
11	Miscellaneous Military Land			24	Wilderness Areas		
12	Navigation and Traffic Aids			25	All Other		
13	Office Building Locations						

FEDERAL LAND-USE DESIGNATIONS

GAO Land Use Designations

GAO identified 57 land and resources data elements in a report¹⁰ addressing the availability and potential reliability of selected data elements at five civilian land management agencies.¹¹ It is important to note that GAO did not identify every data element that the agencies collect related to land management nor did it determine what data elements the agencies are required to collect. The 57 data elements are presented below. Data elements considered by staff to relate to land use are shown in bold-faced type.

- 1 **Total surface acres managed**
- 2 Total subsurface acres managed
- 3 Total acres managed within each state
- 4 **Total acres acquired that facilitated the establishment of buffer areas around military installations**
- 5 **Total acres withdrawn that facilitated the establishment of buffer areas around military installations**
- 6 **Total acres acquired for national park units**
- 7 **Total acres acquired for wilderness areas**
- 8 **Total acres acquired for battlegrounds**
- 9 **Total acres acquired for wildlife refuges**
- 10 **Total acres acquired for national recreation areas**
- 11 **Total acres acquired for other purposes**
- 12 Total acres that were added to the federal estate through eminent domain powers of the federal government
- 13 **Total acres disposed of through sale or exchange**

¹⁰ Government Accountability Office, *Federal Land Management: Availability and Potential Reliability of Selected Data Elements at Five Agencies*, April 2011, [GAO-11-377](#).

¹¹ The Bureau of Land Management (BLM), Bureau of Reclamation (BoR), Fish and Wildlife Service (FWS), and the National Park Service (NPS) are all located in the Department of the Interior (Interior) and the Forest Service, which is located within the Department of Agriculture.

FEDERAL LAND-USE DESIGNATIONS

- 14 Potential quantity of coal resources on federal lands (tonnage)
- 15 Potential quantity of coal reserves on federal lands (tonnage)
- 16 **Total acres of federal lands available for coal leasing under existing land management plans**
- 17 **Total acres of land that have been leased for coal development**
- 18 **Total acres of federal lands leased for coal development that are in producing status**
- 19 Extent to which coal has been produced from leased lands (tonnage)
- 20 Potential quantity of oil and natural gas resources on federal lands (barrels/cubic feet)
- 21 Potential quantity of oil and natural gas reserves on federal lands (barrels/cubic feet)
- 22 **Total acres of federal lands available for oil and natural gas leasing under existing land management plans**
- 23 **Total acres of federal lands that have been leased for oil and natural gas development**
- 24 **Total acres of federal lands leased for oil and natural gas development that are in producing status**
- 25 Extent to which oil and natural gas has been produced from leased federal lands (barrels/cubic feet)
- 26 Value of bonds held by your agency to ensure reclamation of oil and gas operations
- 27 **Potential acres of federal lands available for timber sale**
- 28 **Potential quantity of timber on federal lands suitable for commercial harvesting (board feet)**
- 29 **Total acres of federal lands that have been approved for commercial timber harvesting (acres) under existing land management plans.**
- 30 Extent to which timber on federal lands has been commercially harvested (board feet)
- 31 **Total acres of federal lands from which timber has been commercially harvested**
- 32 **Potential acreage for livestock grazing on federal lands**
- 33 **Total acres of federal lands authorized for livestock grazing use under existing land management plans**
- 34 **Total acres of federal lands used for livestock grazing**
- 35 **Potential quantity of hardrock (locatable) minerals on federal lands**

FEDERAL LAND-USE DESIGNATIONS

- 36 **Total acres of federal lands available for hardrock (locatable) mineral mining under existing land management plans**
- 37 **Extent to which hardrock (locatable) minerals have been extracted from federal lands (tonnage)**
- 38 Value of bonds held by your agency to ensure reclamation of hardrock (locatable) mineral operations
- 39 Total acres of federal lands that were burned as a result of wildland fires (Forest Service and NPS)/wildfires (BLM)
- 40 Costs associated with wildland fires (Forest Service and NPS)/wildfires (BLM)
- 41 Percentage of total acres of federal lands that are under a coal lease that have surface disturbance
- 42 Percentage of total acres of federal lands that are under an oil and natural gas lease that have surface disturbance
- 43 Percentage of total acres of federal lands that are under a notice or plan level hardrock (locatable) operation that have surface disturbance
- 44 Percentage of total acres of federal lands that are under a coal lease where the surface disturbance has been reclaimed
- 45 Percentage of total acres of federal lands that are under an oil and natural gas lease where the surface disturbance has been reclaimed
- 46 Percentage of total acres of federal lands that are under a notice or plan level hardrock (locatable) operation where the surface disturbance has been reclaimed
- 47 Percentage of total acres of federal lands that are under a coal lease where surface is undisturbed
- 48 Percentage of the total acres of federal lands that are under an oil and natural gas lease where surface is undisturbed
- 49 Percentage of the total acres of federal lands that are under a notice or plan level hardrock (locatable) operation where surface is undisturbed
- 50 **Total acres of wildlife refuge with energy development and production currently taking place**
- 51 **Total acres of wildlife refuge with mineral development and production currently taking place**
- 52 Ownership of the fluid mineral estate being developed on wildlife refuge (federal, state, private)
- 53 Ownership of the solid mineral estate being developed on wildlife refuge (federal, state, private)

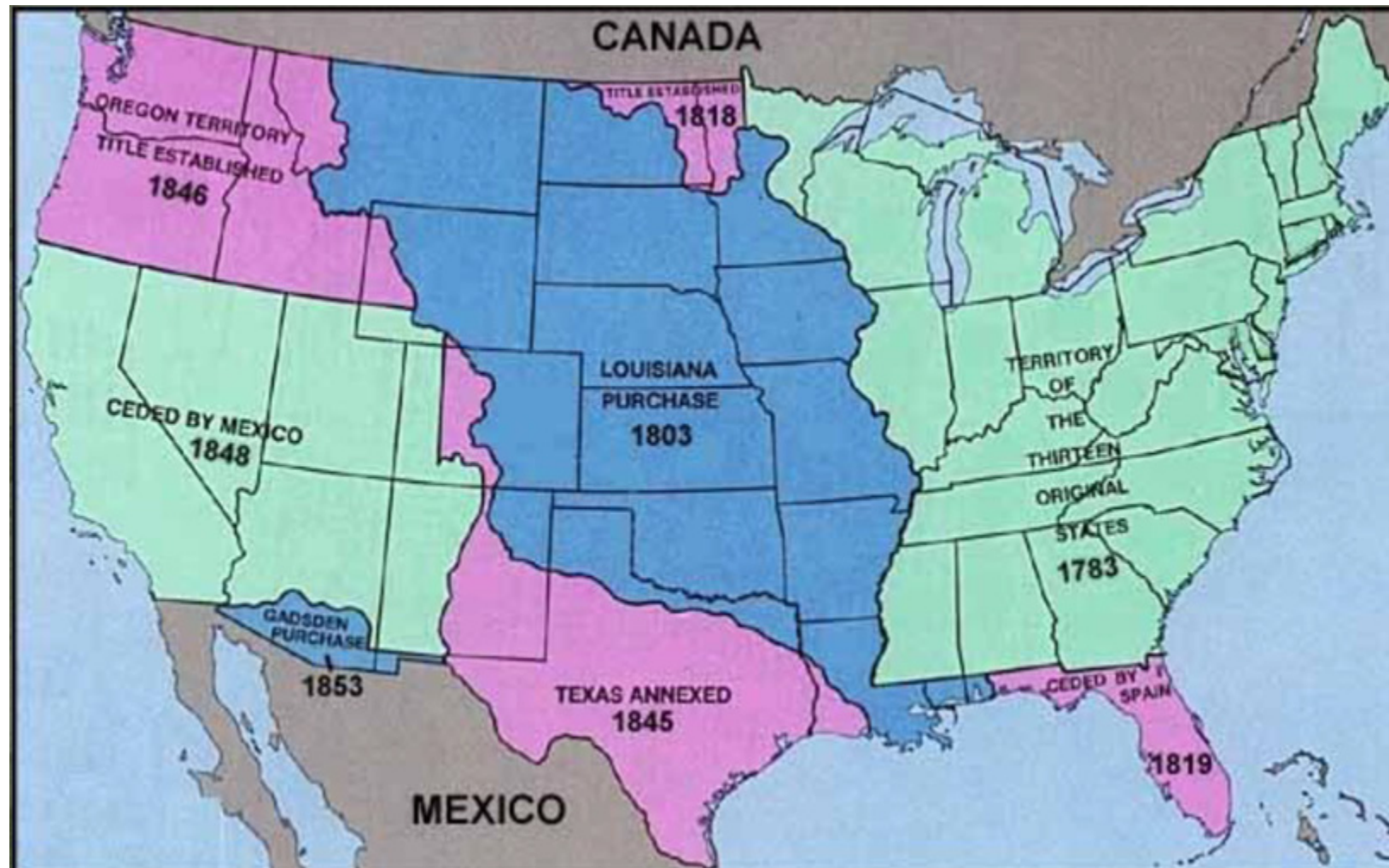
FEDERAL LAND-USE DESIGNATIONS

- 54 Total percentage of federal mineral estate that has been withdrawn from mineral entry under the General Mining Act of 1872
- 55 Total percentage of federal mineral estate that has been withdrawn from mineral entry under the Mineral Leasing Act of 1920
- 56 Total percentage of federal mineral estate that has been withdrawn from mineral entry under the Mineral Leasing Act for Acquired Lands
- 57 Total percentage of federal mineral estate that has been withdrawn from mineral entry under the Mineral Materials Disposal Act of 1947

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FIGURE 1.0 – HISTORY OF U.S. EXPANSION

FIGURE 1.0 – HISTORY OF U.S. EXPANSION



Source: GAO Speaker Series,
*Public Lands Foundation,
America's Public Lands, Origins,
History, and Future.* April 7, 2016

Acquisition Era 1780s-1860s

- Native American Cession (1763 French & Indian War)
- Relinquishments by Colonies
- Ceded by other Countries
- Purchases

TABLE 1.0 – HISTORICAL ACREAGE AND COST

TABLE 1.0 – HISTORICAL ACREAGE AND COST

ACQUISITION OF THE PUBLIC DOMAIN, 1781-1867

Acquisition	Area			Percent of Total U.S. Land /a/	Cost /b/	
	Land	Water	Total			
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>			
State Cessions (1781-1802)	233,415,680	3,409,920	236,825,600	10.4		/c/
Louisiana Purchase (1803) /d/	523,446,400	/e/ 6,465,280	529,911,680	23.3	\$	
Red River Basin (1782-1817)	29,066,880	535,040	29,601,920	1.3		0
Cession from Spain (1819)	43,342,720	2,801,920	46,144,640	2.0		6,674,057
Oregon Compromise (1846)	180,644,480	2,741,760	183,386,240	8.1		0
Mexican Cession (1848)	334,479,360	4,201,600	338,680,960	14.9		16,295,149
Purchase from Texas (1850)	78,842,880	83,840	78,926,720	3.5		15,496,448
Gadsden Purchase (1853)	18,961,920	26,880	18,988,800	0.8		10,000,000
Alaska Purchase (1867)	365,333,120	12,909,440	378,242,560	16.7		7,200,000
Total Public Domain	1,807,533,440	33,175,680	1,840,709,120	81.0	\$	85,079,222

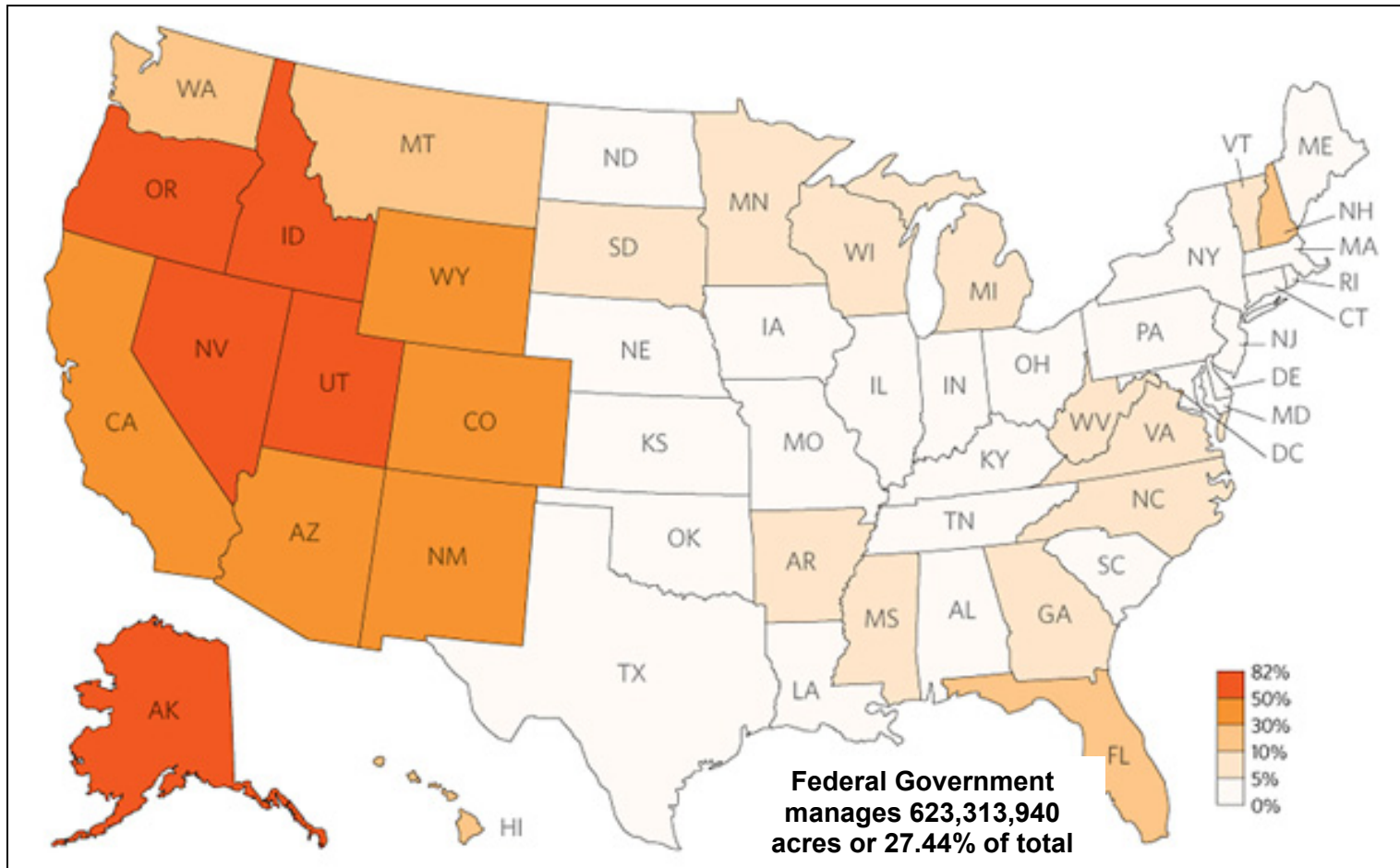
Source: U.S. Department of the Interior, Office of the Secretary, Areas of Acquisition to the Territory of the United States. (Washington, D.C. U.S. Government Printing Office, 1992). Acreages therein are based on findings adopted February 2, 1912, by the Secretary of the Interior.

Note: (1) Alaska has been adjusted for the re-computation of the areas of the United States that was made for the 1980 decennial census and (2) refer to Endnotes page for additional notes a through e.

FIGURE 2.0 – STATE DISTRIBUTION OF FEDERAL LAND

FIGURE 2.0 – STATE DISTRIBUTION OF FEDERAL LAND

Figure 2.0
Land Managed by the U.S. Government
State Distribution

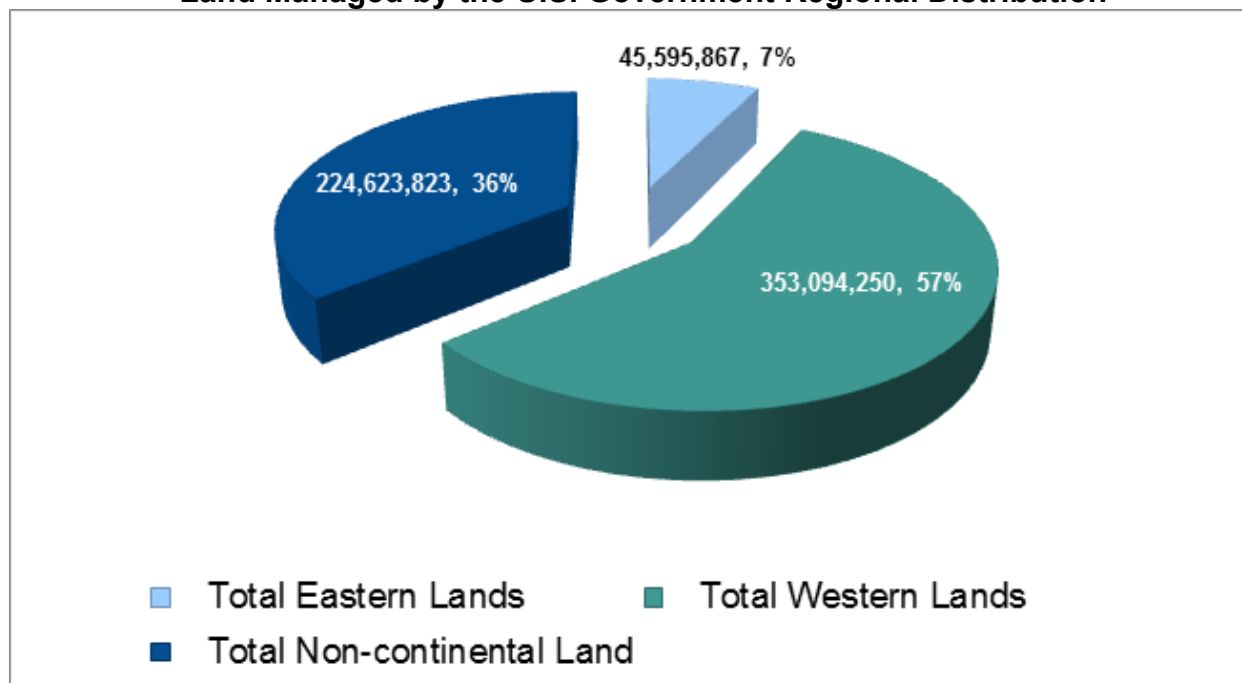


Appendix 2, Figures 2 – 5 and related chart and table information - Source: Congressional Research Service, *Federal Land Ownership: Overview and Data*. December 29, 2014. www.crs.gov

CHART 2.0 - REGIONAL DISTRIBUTION OF FEDERAL LAND

CHART 2.0 - REGIONAL DISTRIBUTION OF FEDERAL LAND

Chart 2.0
Land Managed by the U.S. Government Regional Distribution



Eastern Lands - 45.6 million acres: 7.0%

- Spread across 37 states and the District of Columbia
- 11 states comprise 67.2% of the total Eastern Land acreage managed by the government: Florida, Michigan, Minnesota, Arkansas, Texas, South Dakota, Virginia, North Carolina, Wisconsin, North Dakota, and Missouri

Western Lands – 353.1 million acres: 57.0%

- Spread across 11 states
- 6 states comprise 66.5% of the total Western Land acreage managed by the government: Nevada, Utah, Idaho, Oregon, Wyoming, and California

Non-continental Land- 224.6 million acres: 36%

- Spread across 2 states; Alaska and Hawaii
- Alaska comprises 99.6% of the total Non-continental Land acreage managed by the government

NOTE: Alaska alone comprises ~36% of the total Land acreage managed by the government; (223,803,098 / 623,313,940 = 35.9%)

TABLE 2.0 – PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES

TABLE 2.0 – PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES

<u>State</u>	<u>Total Federal Acreage</u>	<u>Total Acreage in State</u>	<u>% of State</u>
Nevada	59,681,502	70,264,320	84.90%
Utah	34,202,920	52,696,960	64.90%
Idaho	32,621,631	52,933,120	61.60%
Alaska	223,803,098	365,481,600	61.20%
Oregon	32,614,185	61,598,720	52.90%
Wyoming	30,013,219	62,343,040	48.10%
California	45,864,800	100,206,720	45.80%
Arizona	28,064,307	72,688,000	38.60%
Colorado	23,870,652	66,485,760	35.90%
New Mexico	26,981,490	77,766,400	34.70%
Montana	27,003,251	93,271,040	29.00%
Washington	12,176,293	42,693,760	28.50%
DC	8,182	39,040	21.00%
Hawaii	820,725	4,105,600	20.00%
New Hampshire	798,718	5,768,960	13.80%
Florida	4,599,919	34,721,280	13.20%
Michigan	3,633,323	36,492,160	10.00%
Virginia	2,514,596	25,496,320	9.90%
Arkansas	3,151,685	33,599,360	9.40%

TABLE 2.0 – PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES

<u>State</u>	<u>Total Federal Acreage</u>	<u>Total Acreage in State</u>	<u>% of State</u>
Vermont	464,644	5,936,640	7.80%
North Carolina	2,429,341	31,402,880	7.70%
West Virginia	1,133,587	15,410,560	7.40%
Minnesota	3,491,586	51,205,760	6.80%
South Dakota	2,642,601	48,881,920	5.40%
Mississippi	1,546,433	30,222,720	5.10%
Wisconsin	1,793,100	35,011,200	5.10%
Tennessee	1,273,175	26,727,680	4.80%
Louisiana	1,325,780	28,867,840	4.60%
South Carolina	846,420	19,374,080	4.40%
Kentucky	1,094,036	25,512,320	4.30%
Georgia	1,474,225	37,295,360	4.00%
North Dakota	1,736,611	44,452,480	3.90%
Missouri	1,635,122	44,248,320	3.70%
New Jersey	179,374	4,813,440	3.70%
Maryland	197,894	6,319,360	3.10%
Alabama	844,026	32,678,400	2.60%
Delaware	29,864	1,265,920	2.40%
Pennsylvania	617,339	28,804,480	2.10%
Texas	2,998,280	168,217,600	1.80%
Indiana	384,365	23,158,400	1.70%

TABLE 2.0 – PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES

<u>State</u>	<u>Total Federal Acreage</u>	<u>Total Acreage in State</u>	<u>% of State</u>
Oklahoma	701,365	44,087,680	1.60%
Massachusetts	61,802	5,034,880	1.20%
Ohio	305,641	26,222,080	1.20%
Illinois	411,387	35,795,200	1.10%
Maine	211,125	19,847,680	1.10%
Nebraska	546,759	49,031,680	1.10%
Rhode Island	5,157	677,120	0.80%
Kansas	272,987	52,510,720	0.50%
Connecticut	8,752	3,135,360	0.30%
Iowa	122,076	35,860,480	0.30%
New York	104,590	30,680,960	0.30%
Total	623,313,940	2,271,343,360	27.44%

FIGURE 3.0 - WESTERN LAND MANAGED BY THE U.S. GOVERNMENT

FIGURE 3.0 - WESTERN LAND MANAGED BY THE U.S. GOVERNMENT

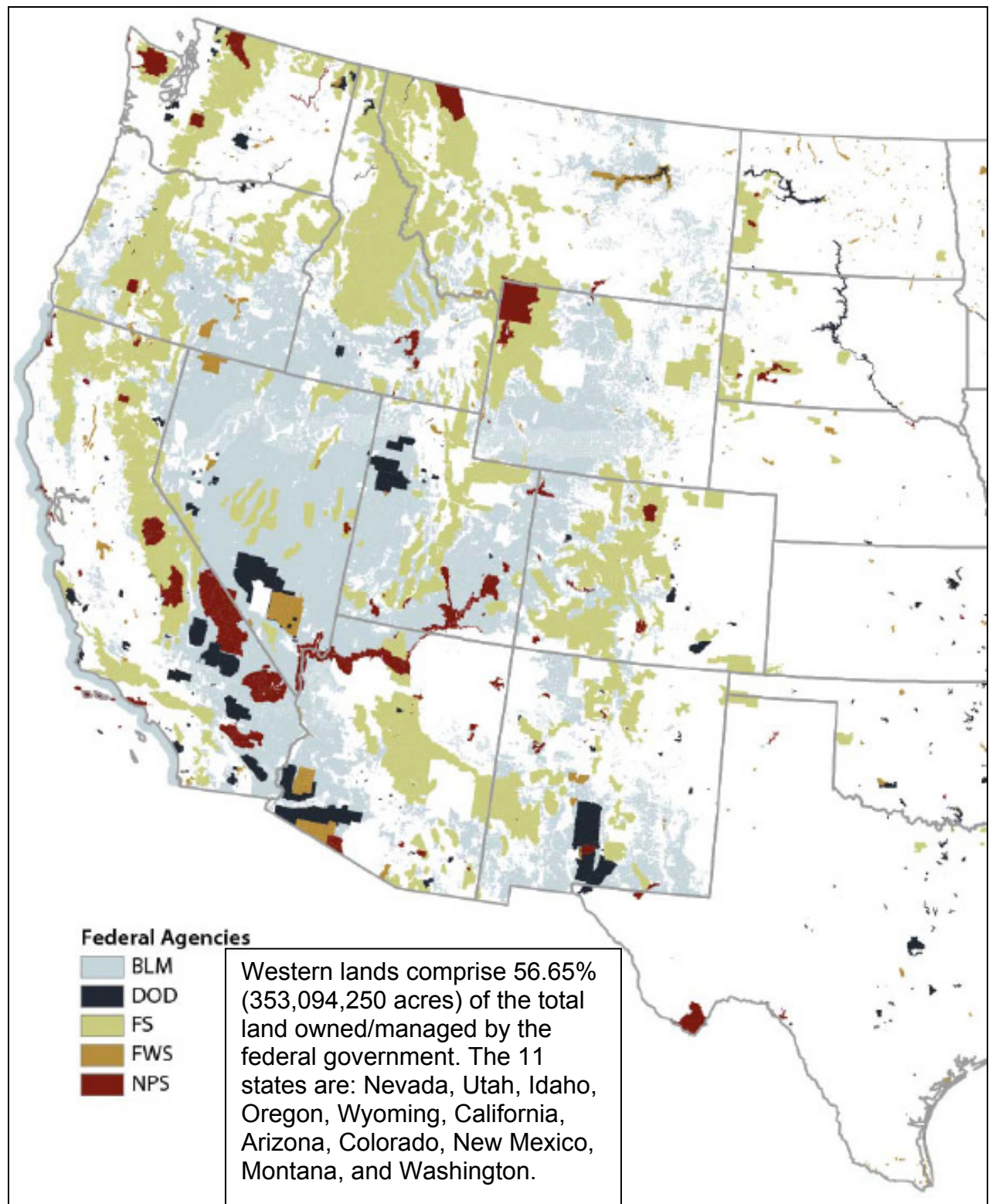


TABLE 3.0 - WESTERN LAND: PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES

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<u>Count</u>	<u>State</u>	<u>Total Federal Acreage</u>	<u>Total Acreage in State</u>	<u>% of State</u>
1	Nevada	59,681,502	70,264,320	84.90%
2	Utah	34,202,920	52,696,960	64.90%
3	Idaho	32,621,631	52,933,120	61.60%
4	Oregon	32,614,185	61,598,720	52.90%
5	Wyoming	30,013,219	62,343,040	48.10%
6	California	45,864,800	100,206,720	45.80%
7	Arizona	28,064,307	72,688,000	38.60%
8	Colorado	23,870,652	66,485,760	35.90%
9	New Mexico	26,981,490	77,766,400	34.70%
10	Montana	27,003,251	93,271,040	29.00%
11	Washington	12,176,293	42,693,760	28.50%
Total Western Lands		353,094,250	752,947,840	46.89%
Total U.S. Federal Acres		623,313,940		
Percent Western Lands		56.65%		

FIGURE 4.0 - EASTERN LAND MANAGED BY THE U.S. GOVERNMENT

FIGURE 4.0 - EASTERN LAND MANAGED BY THE U.S. GOVERNMENT

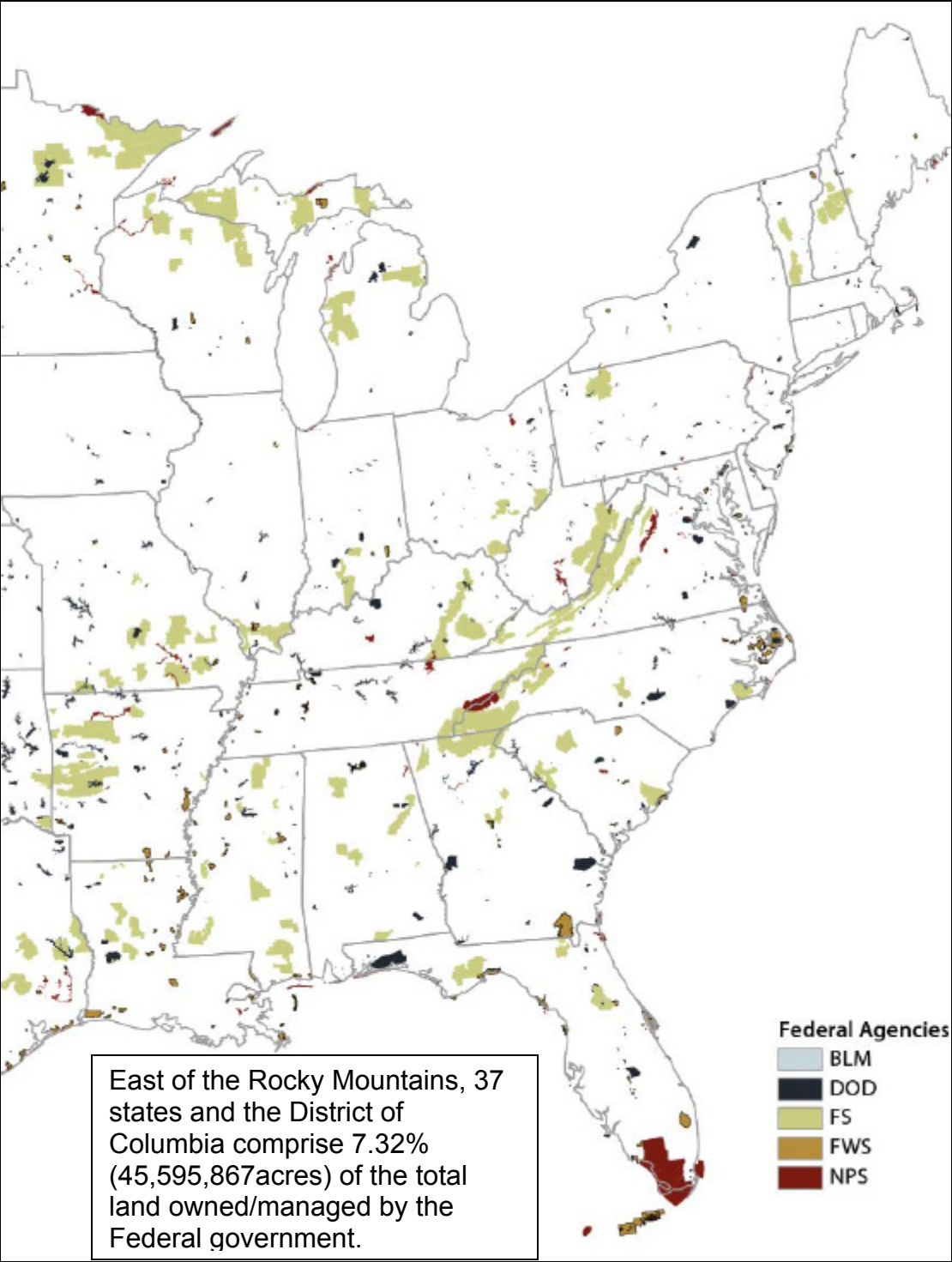


TABLE 4.0 - EASTERN LAND: PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES

TABLE 4.0 - EASTERN LAND: PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES

<u>Count</u>	<u>State</u>	<u>Total Federal Acreage</u>	<u>Total Acreage in State</u>	<u>% of State</u>
1	DC	8,182	39,040	21.00%
2	New Hampshire	798,718	5,768,960	13.80%
3	Florida	4,599,919	34,721,280	13.20%
4	Michigan	3,633,323	36,492,160	10.00%
5	Virginia	2,514,596	25,496,320	9.90%
6	Arkansas	3,151,685	33,599,360	9.40%
7	Vermont	464,644	5,936,640	7.80%
8	North Carolina	2,429,341	31,402,880	7.70%
9	West Virginia	1,133,587	15,410,560	7.40%
10	Minnesota	3,491,586	51,205,760	6.80%
11	South Dakota	2,642,601	48,881,920	5.40%
12	Mississippi	1,546,433	30,222,720	5.10%
13	Wisconsin	1,793,100	35,011,200	5.10%
14	Tennessee	1,273,175	26,727,680	4.80%
15	Louisiana	1,325,780	28,867,840	4.60%
16	South Carolina	846,420	19,374,080	4.40%
17	Kentucky	1,094,036	25,512,320	4.30%
18	Georgia	1,474,225	37,295,360	4.00%
19	North Dakota	1,736,611	44,452,480	3.90%
20	Missouri	1,635,122	44,248,320	3.70%

TABLE 4.0 - EASTERN LAND: PERCENT OF FEDERAL ACRES TO TOTAL STATE ACRES

<u>Count</u>	<u>State</u>	<u>Total Federal Acreage</u>	<u>Total Acreage in State</u>	<u>% of State</u>
21	New Jersey	179,374	4,813,440	3.70%
22	Maryland	197,894	6,319,360	3.10%
23	Alabama	844,026	32,678,400	2.60%
24	Delaware	29,864	1,265,920	2.40%
25	Pennsylvania	617,339	28,804,480	2.10%
26	Texas	2,998,280	168,217,600	1.80%
27	Indiana	384,365	23,158,400	1.70%
28	Oklahoma	701,365	44,087,680	1.60%
29	Massachusetts	61,802	5,034,880	1.20%
30	Ohio	305,641	26,222,080	1.20%
31	Illinois	411,387	35,795,200	1.10%
32	Maine	211,125	19,847,680	1.10%
33	Nebraska	546,759	49,031,680	1.10%
34	Rhode Island	5,157	677,120	0.80%
35	Kansas	272,987	52,510,720	0.50%
36	Connecticut	8,752	3,135,360	0.30%
37	Iowa	122,076	35,860,480	0.30%
38	New York	104,590	30,680,960	0.30%
Total		45,595,867	1,148,808,320	3.97%
Total U.S. Federal Acres		623,313,940		
Percent Eastern Lands		7.32%		

FIGURE 5.0 - NON-CONTINENTAL LAND MANAGED BY THE U.S. GOVERNMENT

FIGURE 5.0 - NON-CONTINENTAL LAND MANAGED BY THE U.S. GOVERNMENT

Alaska and Hawaii

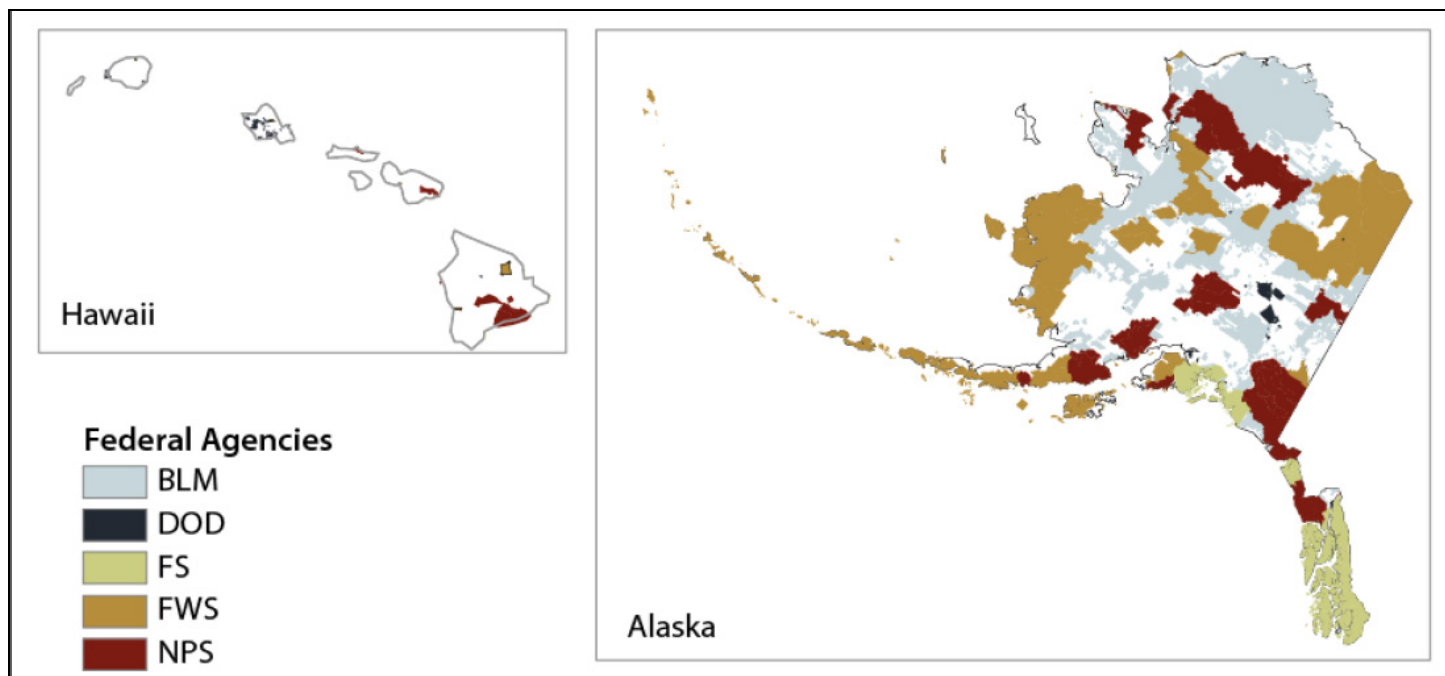


Table 5.0

NON-CONTINENTAL LAND MANAGED BY THE U.S. GOVERNMENT

	Total Federal Acreage	Total Acreage in State	% of State
Alaska	223,803,098	365,481,600	61.20%
Hawaii	820,725	4,105,600	20.00%
Total Non-continental acres	224,623,823	369,587,200	60.78%
Total U.S. Federal Acres	623,313,940		
Percent Non-continental Lands	36.04%		

- **NOTE:** Alaska alone comprises ~36% of the total Land acreage managed by the government; (223,803,098 / 623,313,940 = 35.9%)

ENDNOTES: TABLE 1.0 and Value in Use

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TABLE 1.0

/a/ - Represents percent of total U.S. land acreage, which is 2,271,343,360 acres. This figure excludes U.S. Territories and Possessions; previous years' editions included Territories and Possessions in the calculation of the percentage.

/b/ - Cost data for all except "State Cessions" obtained from U.S. Geological Survey, Boundaries, Area, Geographic Centers (Washington, D.C., U.S. Government Printing Office, 1939), pp. 249-251.

/c/ - Georgia Cession, 1802 (56,689,920 acres), See Donaldson, Thomas, The Public Domain, Its History, with Statistics (Washington, D.C., U.S. Government Printing Office, 1884), p.11.

/d/ - Excludes areas eliminated by treaty of 1819 with Spain.

/e/ - Typographical error corrected from figure reported in the Fiscal Year 1994/1995 through Fiscal Year 1998 editions of the Public Land Statistics.

ⁱ Value in Use

Statement of Federal Financial Accounting Concepts 7: *Measurement of the Elements of Accrual-Basis Financial Statements in Periods After Initial Recording*

50. Value in use is the benefit to be obtained by an entity from the continuing use of an asset and from its disposal at the end of its useful life.

51. Value in use is a remeasured amount for assets used to provide services. It can be measured at the present value of future cash flows that the entity expects to derive from the asset, including cash flows from use of the asset and eventual disposition. Value in use is entity specific and differs from fair value. Fair value is intended to be an objective, market-based estimate of the exchange price of an asset between willing parties. Value in use is an entity's own estimation of the service potential of an asset that it holds to provide a specific service. Examples include inventory and equipment with a unique design and purpose, and special purpose buildings, such as prisons. In those cases, the value in use may be greater than the amount the entity could obtain from selling the asset because the selling price would need to accommodate the purchaser's need to adapt the asset to another purpose.