

112TH CONGRESS  
1ST SESSION

# S. 759

To provide to the Secretary of Interior a mechanism to cancel contracts for the sale of materials CA–20139 and CA–22901, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 7 (legislative day, APRIL 5), 2011

Mrs. BOXER introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To provide to the Secretary of Interior a mechanism to cancel contracts for the sale of materials CA–20139 and CA–22901, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Soledad Canyon High  
5 Desert, California Public Lands Conservation and Man-  
6 agement Act of 2011”.

7 **SEC. 2. FINDING AND PURPOSES.**

8 (a) FINDINGS.—The Congress finds the following:

9 (1) SOLEDAD CANYON AREA.—

1 (A) Two valid Federal contracts, privately  
2 held, numbered CA-20139 and CA-22901, and  
3 issued under the Materials Act of 1947, author-  
4 ize extraction of approximately 56,000,000 tons  
5 of sand and gravel from the Federal mineral es-  
6 tate in lands located in Soledad Canyon adja-  
7 cent to the City of Santa Clarita, California.

8 (B) It is in the best interest of the citizens  
9 of California and the Federal Government to  
10 cancel the Contracts and prohibit future mining  
11 in the area that was subject to the two Federal  
12 Contracts in the Soledad Canyon area of Cali-  
13 fornia.

14 (C) The holder of the Contracts should re-  
15 ceive, as compensation for such cancellation, the  
16 fair market value of the Contracts and all costs,  
17 fees, and covered liabilities incurred by the Con-  
18 tract Holder in good faith in its efforts to de-  
19 velop the Contracts.

20 (D) A site-specific solution that is fair to  
21 the Contract Holder and that seeks to protect  
22 the environment and minimize impacts on local  
23 transportation systems is in the best interest of  
24 the Nation.

1           (E) Considerable sums of money have been  
2 expended by the Contract Holder and the City  
3 of Santa Clarita on legal and other services in  
4 trying to ensure their interests are protected  
5 with respect to the Contracts CA-20139 and  
6 CA-22901.

7           (F) Facilitation of an open-space corridor  
8 between the two arms of the Angeles National  
9 Forest that enhances environmental and wildlife  
10 values is in the national interest.

11       (2) VICTORVILLE AREA.—

12           (A) The Bureau of Land Management has  
13 extensive land ownership in small and large  
14 parcels interspersed with or adjacent to private  
15 land in and around Victorville, California, mak-  
16 ing many of these parcels difficult to manage  
17 and appropriate for disposal.

18           (B) Certain public lands near Victorville,  
19 California, have been previously identified for  
20 disposal as a result of the Bureau of Land  
21 Management's West Mojave Land Management  
22 Plan which was approved in 2006 with public  
23 involvement and participation.

24           (C) In order to promote responsible and  
25 orderly economic development, certain public

1           lands should be sold at fair market value to the  
2           City of Victorville or the County of San  
3           Bernardino; both located in California.

4           (b) PURPOSES.—The purposes of this Act are the fol-  
5           lowing:

6           (1) To provide to the Bureau of Land Manage-  
7           ment the authority to cancel Contracts CA–20139  
8           and CA–22901 and prohibit future mining in the  
9           area that was subject to the two Federal Contracts  
10          in the Soledad Canyon area of California.

11          (2) To provide a means for the Contract Holder  
12          to recover for the cancellation of the Contracts, the  
13          fair market value of the Contracts and the Contract  
14          Holder’s expenditures and covered liabilities incurred  
15          pursuing the development of the Contracts.

16          (3) To provide the Bureau of Land Manage-  
17          ment tools to verify expenses incurred by the Con-  
18          tract Holder and provide relief.

19          (4) To provide timelines for the verification of  
20          costs incurred by the Contract Holder and the deter-  
21          mination of compensation and to provide a dispute  
22          resolution process.

23          (5) To provide for the orderly disposal of cer-  
24          tain Federal lands in San Bernardino County, Cali-

1       fornia, and to provide for the acquisition of environ-  
2       mentally sensitive lands in the State of California.

3 **SEC. 3. DEFINITIONS.**

4       In this Act:

5           (1) CITY OF SANTA CLARITA.—The term “City  
6       of Santa Clarita” means the City of Santa Clarita,  
7       California.

8           (2) CITY OF VICTORVILLE.—The term “City of  
9       Victorville” means the City of Victorville, California.

10          (3) COUNTY OF SAN BERNARDINO.—The term  
11       “County of San Bernardino” means the County of  
12       San Bernardino, California.

13          (4) CONTRACTS.—The term “Contracts” means  
14       the Bureau of Land Management mineral contracts  
15       numbered CA–20139 and CA–22901.

16          (5) CONTRACT HOLDER.—The term “Contract  
17       Holder” means the private party to the Contracts  
18       CA–20139 and CA–22901, and its successors that  
19       hold legal interests in such Contracts.

20          (6) COVERED LIABILITIES.—The term “covered  
21       liabilities” includes any court-ordered or court-ap-  
22       proved payment, settlement, or other liability on the  
23       part of the Contract Holder for damages, costs,  
24       compensation, or reimbursement to any third party  
25       for agreements entered into by the Contract Holder

1 in good faith prior to January 1, 2008, in order to  
2 exercise rights under the Contracts.

3 (7) ENVIRONMENTALLY SENSITIVE LAND.—The  
4 term “environmentally sensitive land” means land or  
5 an interest in land, the acquisition of which by the  
6 United States would, in the judgment of the Sec-  
7 retary or the Secretary of Agriculture—

8 (A) promote the preservation of natural,  
9 scientific, aesthetic, historical, cultural, water-  
10 shed, wildlife, and other values contributing to  
11 public enjoyment and biological diversity;

12 (B) enhance recreational opportunities and  
13 public access;

14 (C) provide the opportunity to achieve bet-  
15 ter management of public land through consoli-  
16 dation of Federal ownership; or

17 (D) otherwise serve the public interest.

18 (8) MATERIALS ACT OF 1947.—The term “Ma-  
19 terials Act of 1947” means the Act of July 31, 1947  
20 (chapter 406; 61 Stat. 681; 30 U.S.C. 601–604).

21 (9) SECRETARY.—The term “Secretary” means  
22 the Secretary of the Interior.

23 (10) SPECIAL ACCOUNT.—The term “special ac-  
24 count” means the account in the Treasury of the  
25 United States established under section 5(h).

1 **SEC. 4. CANCELLATION OF THE CONTRACTS; COMPENSA-**  
2 **TION TO CONTRACT HOLDER.**

3 (a) **CONTRACT CANCELLATIONS.**—The Secretary  
4 shall cancel Bureau of Land Management mineral Con-  
5 tracts CA–20139 and CA–22901 and withdraw those  
6 areas that were subject to the Contracts from further min-  
7 eral entry under all mineral leasing and sales authorities  
8 available to the Secretary, effective on the date of the en-  
9 actment of this Act.

10 (b) **COMPENSATION.**—As compensation for the can-  
11 cellation of the Contracts, the Contract Holder shall re-  
12 ceive the following amounts, whether determined by  
13 agreed negotiated value or awarded by judgment of the  
14 United States Court of Federal Claims in accordance with  
15 the referral provisions of subsection (g)—

16 (1) the fair market value of the cancelled Con-  
17 tracts, determined in accordance with subsection (e);

18 (2) the Contract Holder’s expenditures in trying  
19 to bring the Contracts into commercial production,  
20 as described in subsection (f);

21 (3) interest on the compensation provided for in  
22 paragraphs (1), (2), and (4) from the date of the en-  
23 actment of this Act until the last day of the month  
24 preceding the date on which payment is made, com-  
25 pounded quarterly and computed at the rate applica-

1 ble to marketable obligations of the United States of  
2 three year maturity for the period involved; and

3 (4) covered liabilities incurred in trying to bring  
4 the Contracts into commercial production, as de-  
5 scribed in subsection (f); provided, however, that  
6 compensation for covered liabilities may be paid to  
7 Contract Holder under this section for up to 15  
8 years following the effective date of this Act.

9 (c) MEANS OF PAYMENT; ASSURANCES OF PAY-  
10 MENT.—

11 (1) FULL FAITH AND CREDIT.—The full faith  
12 and credit of the United States is hereby pledged to  
13 the payment of the compensation provided for in  
14 subsection (b).

15 (2) MEANS OF PAYMENT.—Compensation paid  
16 to Contract Holder under this Act shall be paid by  
17 means of disbursement of funds from the special ac-  
18 count created in the Treasury of the United States  
19 pursuant to section 5(h) except as otherwise pro-  
20 vided in paragraph (3).

21 (3) PAYMENT BY DEADLINE.—Notwithstanding  
22 paragraph (2) or any other provision of this Act, in  
23 the event that the Contract Holder has not received  
24 all of the compensation provided for in this section  
25 on or before the third anniversary of the enactment



1 of this Act, all compensation then remaining to be  
2 paid to Contract Holder shall be paid from the per-  
3 manent judgment appropriation established pursu-  
4 ant to section 1304 of title 31, United States Code.

5 (4) NEGOTIATED AGREEMENT.—Any negotiated  
6 agreement between the Secretary and the Contract  
7 Holder as to the amount of compensation described  
8 in subsection (b) shall be deemed to be a com-  
9 promise settlement of imminent litigation within the  
10 meaning of section 1304 of title 31, United States  
11 Code, and section 2414 of title 28, United States  
12 Code, and, notwithstanding anything to the contrary  
13 contained in any other provision of law, including  
14 section 2517 of title 28, United States Code, any  
15 final judgment by the United States Court of Fed-  
16 eral Claims determining the fair market value of  
17 Contracts CA–20139 and CA–22901 in accordance  
18 with the referral provisions of subsection (g) shall be  
19 deemed to be a final judgment and award within the  
20 meaning of section 1304 of title 31, United States  
21 Code.

22 (d) INCREASE IN ADJUSTED BASIS OF CONTRACT  
23 UPON CANCELLATION.—For purposes of the Internal  
24 Revenue Code of 1986, the adjusted basis of any Contract  
25 to which subsection (a) applies shall be increased (imme-

1 diately before the cancellation of such Contract under such  
2 section) by the excess (if any) of—

3 (1) the fair market value of such Contract (de-  
4 termined immediately before such cancellation), over

5 (2) the adjusted basis of such Contract (as de-  
6 termined immediately before the application of this  
7 section).

8 (e) DETERMINATION OF FAIR MARKET VALUE.—The  
9 Secretary shall, within six months after the date of enact-  
10 ment of this Act, determine by mineral appraisal, utilizing  
11 the discounted cash flow method of appraisal (in accord-  
12 ance with the appraisal guidelines for appraisals of large  
13 quantities of mineral materials contained in section IV(E)  
14 of BLM Mineral Material Appraisal Handbook H-3630),  
15 the fair market value of the Contracts and notify the Con-  
16 tract Holder of those determinations. In determining the  
17 fair market value of the Contracts, the Secretary shall as-  
18 sume that—

19 (1) the Contract Holder has obtained all the  
20 permits and entitlements necessary to mine,  
21 produce, and sell sand and gravel under the Con-  
22 tract; and

23 (2) mining operations under the Contract have  
24 commenced at the time of the determination, with  
25 maximum annual production volumes that—

1 (A) are based on the projected supply and  
2 demand outlook at the time of determination;  
3 and

4 (B) reflect depletion of the reserves that  
5 are subject to the Contract within the effective  
6 periods of the Contract.

7 (f) EXPENDITURES AND COVERED LIABILITIES DE-  
8 SCRIBED.—The compensation provided for in subsection  
9 (b)(2) is equal to the sum of the following:

10 (1) All amounts paid to the United States by  
11 Contract Holder with respect to the cancelled Con-  
12 tract as bonus bids or other prepayments.

13 (2) Interest on amounts referred to in para-  
14 graph (1), from the date of payment of such  
15 amounts to the United States, at a rate determined  
16 by the Secretary.

17 (3) Amounts expended by the Contract Holder  
18 in securing the Contract and trying to bring it into  
19 production, including—

20 (A) all actual costs, including fees, associ-  
21 ated with the engineering and environmental  
22 studies and permitting proceedings that were  
23 incurred in good faith in the Contract Holder's  
24 efforts to exercise rights granted under the  
25 Contract terms; and

1           (B) all actual legal costs, including fees  
2           and covered liabilities, incurred in good faith in  
3           the Contract Holder's efforts to exercise rights  
4           granted in the Contract including all fees and  
5           costs associated with securing permits and enti-  
6           tlements, litigation to compel, secure, or defend  
7           permits or entitlements, and litigation in con-  
8           nection with disputes relating to mineral and  
9           surface estate rights to the property that is the  
10          subject of the Contract.

11          (g) REFERRAL TO THE UNITED STATES COURT OF  
12 FEDERAL CLAIMS.—

13           (1) REFERRAL.—If within 12 months after the  
14          date of enactment of this Act, the Secretary and the  
15          Contract Holder do not reach agreed negotiated  
16          value under subsection (b) regarding the fair market  
17          value of Contracts CA-20139 and CA-22901, the  
18          Contract Holder shall have 3 months thereafter to  
19          notify the Secretary that it disagrees with the Sec-  
20          retary's determination of such value. In the event of  
21          such notification, the Secretary shall refer the issue  
22          of fair market value to the United States Court of  
23          Federal Claims for determination.

24           (2) RESOLUTION BY COURT.—In any referral  
25          under this subsection, the court shall determine de

1        novo the fair market value of Contracts CA–20139  
2        and CA–22901.

3        (h) SUBMISSION OF EXPENSES INCURRED.—

4            (1) IN GENERAL.—To assist in the verification  
5        of the amounts expended referred to in subsection  
6        (f)(3), the Contract Holder shall submit to the Sec-  
7        retary within 60 days after the date of enactment of  
8        this Act an itemized list of such amounts, with  
9        enough detail and supporting documentation so the  
10       Secretary can determine that the expenses are asso-  
11       ciated with the Contracts.

12           (2) ARBITRATION.—The Secretary shall issue  
13        the determination of the amounts expended referred  
14        to in paragraph (f)(3) within 60 days after receipt  
15        of the itemized list required under paragraph (1). If  
16        the Secretary disapproves such list, the Secretary  
17        shall, upon the request of the Contract Holder, de-  
18        termine such amounts through arbitration in accord-  
19        ance with subchapter IV of chapter 5 of title 5,  
20        United States Code.

21           (i) ASSIGNMENT.—The Contract Holder may at any  
22        time assign its rights or entitlement under this Act to all  
23        or any part of the compensation provided for in para-  
24        graphs (1) and (2) of subsection (b).

1 **SEC. 5. SALE OF LAND NEAR VICTORVILLE, CALIFORNIA.**

2 (a) IN GENERAL.—Notwithstanding sections 202 and  
3 203 of the Federal Land Policy and Management Act of  
4 1976 (43 U.S.C. 1712, 1713) and subject to subsections  
5 (c), (d), and (e), the Secretary shall offer for sale by com-  
6 petitive bidding and for a minimum price of not less than  
7 fair market value, as determined by an appraisal con-  
8 ducted under subsection (g), all right, title, and interest  
9 of the United States in and to the land identified for dis-  
10 position on the map entitled “Victorville disposal area,  
11 California” and dated March 2011.

12 (b) AVAILABILITY OF MAP.—The Secretary shall  
13 keep the map described in subsection (a) on file and avail-  
14 able for public inspection in—

15 (1) the office of the Director of the Bureau of  
16 Land Management; and

17 (2) the district office of the Bureau of Land  
18 Management located in Barstow, California.

19 (c) RIGHT OF LOCAL LAND USE AUTHORITY TO  
20 PURCHASE CERTAIN LAND.—

21 (1) IN GENERAL.—Before a sale of land under  
22 subsection (a), the Secretary shall provide the appli-  
23 cable local land use authority an exclusive preemptive  
24 right, as determined under State law, to pur-  
25 chase any right, title, or interest of the United  
26 States in and to any portion of the parcels of land

1 identified as “Area A” and “Area B” on the map  
2 described in subsection (a) that is located within the  
3 jurisdiction of the local land use authority.

4 (2) TIMING.—A preemptive right under para-  
5 graph (1) shall be in effect for a period of 30 days  
6 before any phased sale of the land described in para-  
7 graph (1) is to be conducted under subsection (f).

8 (3) AUTHORITY.—During the period described  
9 in paragraph (2), the local land use authority may  
10 purchase some or all of the right, title, and interest  
11 of the United States, as provided in subsection (a),  
12 in and to the land to be offered for sale at fair mar-  
13 ket value, as determined by an appraisal conducted  
14 by the Secretary.

15 (4) EXERCISING RIGHT.—The preemptive right  
16 under paragraph (1) shall be exercised on the imme-  
17 diate payment by the local land use authority of the  
18 entire purchase price of the applicable parcel of  
19 land.

20 (5) FAILURE TO PAY.—Failure by the local  
21 land use authority to purchase and pay for the right,  
22 title, and interest of the United States in and to the  
23 land described in paragraph (1) within the time pe-  
24 riod described in paragraph (2) and to comply with

1 any other terms and conditions as the Secretary may  
2 require—

3 (A) shall terminate the preemptive right of  
4 the local land use authority with respect to the  
5 right, title, and interest offered for sale during  
6 that phase; but

7 (B) shall not terminate the preemptive  
8 right of the local land use authority with re-  
9 spect to subsequent phased offers of the re-  
10 maining right, title, and interest in and to the  
11 land described in paragraph (1).

12 (d) WITHDRAWAL AND RESERVATION.—

13 (1) WITHDRAWAL.—Subject to valid existing  
14 rights, the land described in subsection (a) is with-  
15 drawn from—

16 (A) entry, appropriation, or disposal under  
17 the public land laws;

18 (B) location, entry, and patent under the  
19 mining laws; and

20 (C) operation of the mineral leasing, min-  
21 eral materials, and geothermal leasing laws.

22 (2) RESERVATION.—In any sale or other dis-  
23 posal of land under this section, there shall be re-  
24 served by the United States the right of the United



1 States to prospect for, mine, and remove minerals  
2 from the conveyed land.

3 (e) CONSULTATION.—In addition to any consultation  
4 otherwise required by law, before initiating efforts to dis-  
5 pose of land under this section, the Secretary shall consult  
6 with the City of Victorville, the County of San Bernardino,  
7 and surface owners in the jurisdiction in which the land  
8 is located regarding the potential impact of the disposal  
9 and other appropriate aspects of the disposal.

10 (f) PHASING OF SALES.—

11 (1) AREA A LAND.—Not later than 1 year after  
12 the date of enactment of this Act and subject to the  
13 preemptive right under subsection (c), the Secretary  
14 shall offer for sale under subsection (a) the land de-  
15 picted as “Area A” on the map described in sub-  
16 section (a).

17 (2) AREA B LAND.—Not later than 2 years  
18 after the date of enactment of this Act and subject  
19 to the preemptive right under subsection (c), the  
20 Secretary shall offer for sale under subsection (a)  
21 the land depicted as “Area B” on the map described  
22 in subsection (a).

23 (3) REMAINING LAND.—After consulting with  
24 the City of Victorville and the County of San  
25 Bernardino, the Secretary may, not later than 20

1 years after the date of enactment of this Act, offer  
2 for sale under subsection (a) the remaining land  
3 identified for disposal in the West Mojave Land  
4 Management Plan of 2006, except the land depicted  
5 as an “Area of Critical Environmental Concern” in  
6 the map described in subsection (a).

7 (4) COMPLIANCE WITH ENVIRONMENTAL RE-  
8 QUIREMENTS.—Land disposal activities of the Sec-  
9 retary under this subsection shall be consistent with  
10 all applicable environmental laws (including regula-  
11 tions).

12 (g) DETERMINATION OF FAIR MARKET VALUE.—

13 (1) AREA A LAND.—The fair market value of  
14 the land described in subsection (f)(1) shall be based  
15 on an appraisal of the fair market value of the land  
16 as of the date of enactment of this Act, to be com-  
17 pleted not later than 180 days after the date of en-  
18 actment of this Act.

19 (2) AREA B LAND.—The fair market value of  
20 the land described in subsection (f)(2) shall be based  
21 on an appraisal of the fair market value of the land  
22 as of the date that is approximately 180 days before  
23 the date on which the land is offered for sale in ac-  
24 cordance with subsection (f)(2), to be completed not

1 later than 180 days before the date on which the  
2 land is to be offered for sale.

3 (h) SPECIAL ACCOUNT.—

4 (1) ESTABLISHMENT.—The gross proceeds of a  
5 sale of land under subsection (a) shall be deposited  
6 in a special account established in the Treasury, to  
7 be used in accordance with paragraph (3).

8 (2) AVAILABILITY.—Amounts in the special ac-  
9 count established under paragraph (1) shall be avail-  
10 able, without appropriation and until expended—

11 (A) to the Secretary for purposes of sub-  
12 paragraphs (A) through (E) of paragraph (3);  
13 and

14 (B) to the Secretary of Agriculture for  
15 purposes of subparagraphs (B) and (C) of para-  
16 graph (3).

17 (3) DISPOSITION OF PROCEEDS.—Proceeds  
18 from a sale of land described in subsection (a) shall  
19 be disbursed by the Secretary in the following order  
20 of priority:

21 (A) As compensation to the Contract Hold-  
22 er under section 4(b) for cancellation of the  
23 Contracts by the Secretary.

1           (B) For the acquisition of private  
2 inholdings and land interests in the Mojave Na-  
3 tional Preserve.

4           (C) For the acquisition of holdings and  
5 land interests from willing sellers contained  
6 within the Conceptual Area Protection Plan as  
7 identified in the East Santa Clarita Land Con-  
8 servation Concept Plan and Implementation  
9 Strategy.

10          (D) For the acquisition of environmentally  
11 sensitive land in the State of California in ac-  
12 cordance with section 6.

13          (E) For the reimbursement of costs in-  
14 curred by the California State Office and the  
15 Barstow Field Office of the Bureau of Land  
16 Management for preparing for the conveyance  
17 of land described in subsection (a), including  
18 the costs of—

19               (i) surveys and appraisals;

20               (ii) complying with the National Envi-  
21 ronmental Policy Act of 1969 (42 U.S.C.  
22 4321); and

23               (iii) except as otherwise provided in  
24 subsection (a), complying with sections 202  
25 and 203 of the Federal Land Policy and

1 Management Act of 1976 (43 U.S.C. 1712,  
2 1713).

3 (4) LIMITATION ON USE OTHER THAN FOR  
4 COMPENSATION.—No funds may be expended under  
5 this subsection for purposes of subparagraphs (B)  
6 through (E) of paragraph (3) until the date on  
7 which the Secretary has paid to the Contract Holder  
8 all compensation provided for under section 4(b) for  
9 cancellation of the Contracts by the Secretary.

10 (5) SPECIAL ACCOUNT RESERVE FOR CONTRACT  
11 HOLDER.—

12 (A) LIMITATION ON DISBURSEMENTS.—  
13 Notwithstanding paragraphs (3) and (4),  
14 amounts in the special account established  
15 under paragraph (1) may be expended for the  
16 purposes described in subparagraphs (B)  
17 through (E) of paragraph (3) after compensa-  
18 tion has been paid by the Secretary to the Con-  
19 tract Holder as provided in paragraphs (1), (2),  
20 and (3) of section 4(b), but before the date on  
21 which the compensation required under section  
22 4(b)(4) has been paid to the Contract Holder,  
23 if the amount agreed to under subparagraph  
24 (B) is held as a reserve for payment to the Con-  
25 tract Holder under section 4(b)(4).

1 (B) DETERMINATION OF RESERVE.—

2 (i) IN GENERAL.—For purposes of  
3 calculating the reserve amount referred to  
4 in subparagraph (A), the value of the com-  
5 pensation provided for in section 4(b)(4) is  
6 considered to be the amount agreed to by  
7 the Secretary and the Contract Holder,  
8 subject to the conditions that—

9 (I) the amount shall not be less  
10 than 15 percent of the sum of the  
11 value of the elements of compensation  
12 described in paragraphs (1) through  
13 (3) of section 4(b); and

14 (II) an agreement as to the  
15 amount of the reserve in subclause (I)  
16 shall be made before the disbursement  
17 of any funds from the special account  
18 for any matter other than compensa-  
19 tion to the Contract Holder.

20 (ii) EFFECT.—Nothing in this para-  
21 graph reduces the amount of the com-  
22 pensation payable to the Contract Holder  
23 under section 4(b)(4).

1           (6) INVESTMENT OF SPECIAL ACCOUNT.—Any  
2 amounts deposited in the special account established  
3 under paragraph (1) shall—

4           (A) earn interest in an amount determined  
5 by the Secretary of the Treasury on the basis  
6 of the current average market yield on out-  
7 standing marketable obligations of the United  
8 States with a maturity of 3 years; and

9           (B) be expended according to the provi-  
10 sions of this section.

11          (7) PROCEDURES.—Except with respect to the  
12 disbursement of funds as compensation to the Con-  
13 tract Holder for cancellation of the Contracts, the  
14 Secretary shall coordinate the use of the special ac-  
15 count with the Secretary of Agriculture, the State of  
16 California, units of local government, and other in-  
17 terested persons, to ensure accountability and dem-  
18 onstrated results.

19 **SEC. 6. ACQUISITIONS.**

20          (a) IN GENERAL.—After the consultation process has  
21 been completed in accordance with subsection (b), the Sec-  
22 retary may acquire with the proceeds of the special ac-  
23 count referred to in section 5(h) environmentally sensitive  
24 land and interests in environmentally sensitive land.  
25 Lands may not be acquired under this section without the

1 consent of the owner thereof. Funds made available from  
2 the special account may be used for this purpose with any  
3 other funds made available under any other provision of  
4 law.

5 (b) CONSULTATION.—Before initiating efforts to ac-  
6 quire land under this section, the Secretary or the Sec-  
7 retary of Agriculture shall consult with the State of Cali-  
8 fornia and with counties and cities affected by such acqui-  
9 sition, including appropriate planning and regulatory  
10 agencies, and with other interested persons, concerning  
11 the necessity of making the acquisition, the potential im-  
12 pacts on State and local government, and other appro-  
13 priate aspects of the acquisition. Consultation under this  
14 subsection is in addition to any other consultation required  
15 by law.

16 (c) ADMINISTRATION.—On acceptance of title by the  
17 United States, land and interests in land acquired under  
18 this section that is within the boundaries of a unit of the  
19 National Forest System, National Park System, National  
20 Wildlife Refuge System, National Wild and Scenic Rivers  
21 System, National Trails System, National Wilderness  
22 Preservation System, or any other system established by  
23 Act of Congress, or any national conservation or national  
24 recreation area established by Act of Congress—



1           (1) shall, notwithstanding any other provision  
2 of law, become part of the unit or area without fur-  
3 ther action by the Secretary or Secretary of Agri-  
4 culture; and

5           (2) shall be managed in accordance with all  
6 laws and regulations and land use plans applicable  
7 to the unit or area.

8           (d) DETERMINATION OF FAIR MARKET VALUE.—  
9 The fair market value of land or an interest in land to  
10 be acquired by the Secretary or the Secretary of Agri-  
11 culture under this section shall be determined under sec-  
12 tion 206 of the Federal Land Policy and Management Act  
13 of 1976 (16 U.S.C. 1716) and shall be consistent with  
14 other applicable requirements and standards.

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