

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240
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December 1, 2011

In Reply Refer To:
2200 (350) I

EMS TRANSMISSION 12/08/2011
Instruction Memorandum No. 2012-034
Expires: 09/30/2013

To: State Directors

From: Assistant Director, Minerals and Realty Management

Subject: Matrix Tool for Land Exchanges

Program Area: Land Exchanges.

Purpose: One of the recommendations selected for improvement of the Bureau of Land Management's Land Exchange Program from the 2003 Appraisal and Exchange Workgroup Report was to develop a matrix tool for managers, realty specialists, and other staff to assist in conducting feasibility analysis and assessing risks when considering potential land exchanges. This Instruction Memorandum (IM) provides this "Matrix Tool for Land Exchanges" (Attachment 1) for state and field office use.

Policy/Action: The matrix tool describes factors that have commonly contributed to the success or failure of land exchanges or have increased the time and cost of processing. Identified factors include property characteristics, valuation issues, processing issues, and governmental or public support or opposition. These factors should be considered during the feasibility stage of a land exchange proposal as part of a risk assessment to give the authorized officer an indication of "red flags" or "fatal flaws" that may affect the likelihood of success. The factors will be applicable in varying degrees, individually and collectively, to different land exchange proposals, and there is not a standard score that would indicate whether a land exchange proposal should or should not go forward. Depending on their severity, negative responses may not cause rejection of a land exchange proposal, but they may indicate the proposal has less probability of completion, that additional up-front work may be appropriate to fully evaluate the feasibility of the land exchange, or that resolution of the factors may extend processing timeframes or require additional processing actions. Many issues may be correctable, but the time, staffing, and funding to do so would have to be compared to the resource values and benefits of the proposed land exchange. In addition, the responses to the factors may help in completing the feasibility analysis and in designing the processing requirements of the land exchange. The workgroup considered this as a tool for managers, but it may also be useful for realty specialists and other staff as a checklist to assist in conducting feasibility analyses.

Although use of the matrix tool is encouraged, state and field offices have the discretion to determine if its use will be mandatory for every land exchange. The matrix tool is available electronically in the Land Exchange Directory (\\blm\dfs\wo\pub\Land Exchange).

Timeframe: This IM is effective immediately.

Budget Impact: None.

Background: As a result of controversies raised in the past regarding both appraisals and land exchanges, which were brought to a head by a report prepared by the Appraisal Foundation, a workgroup was convened to address the issues that had been raised in that report. The workgroup was divided into two parts, one pertaining to appraisals and the other to land exchanges. Thirty-seven recommendations to improve the land exchange program were adopted, one of which was to prepare a matrix tool that listed factors that should be considered in the processing of land exchanges. Recent GAO audits and continued scrutiny of the land exchange program also brought to the forefront the need to implement this tool.

Manual/Handbook Sections Affected: This IM supplements the BLM Manual Section 2200, *Land Exchange Handbook*.

Coordination: This IM was coordinated through the BLM Land Exchange Team and State Office Lands Program coordinators.

Contact: If you have any questions concerning the contents of this IM, please contact me at 202-208-4201, or your staff may contact Kim Berns, Division Chief, Lands, Realty and Cadastral Survey, at 202-912-7350, or Carolyn Spoon, Branch Chief, Lands and Realty (WO-350), at 202-912-7574.

Signed by:
Timothy Spisak
Acting, Assistant Director
Minerals and Realty Management

Authenticated by:
Robert M. Williams
Division of IRM Governance, WO-560

1 Attachment:

[1 - Matrix Tool for Land Exchanges \(4 pp\)](#)

MATRIX TOOL FOR LAND EXCHANGES

The factors described below have commonly contributed to the success or failure of land exchanges or have affected the time and cost to process land exchanges. These factors should be considered by the authorized officer during the feasibility stage of a land exchange proposal as part of a risk assessment, and there may be other factors that are not listed that should be considered.

The applicability of each factor to a specific land exchange proposal may vary. Depending on its severity, a “False” response may represent a “fatal flaw” and/or a high percentage of “False” responses may indicate the land exchange proposal has less probability of completion, that resolution of the factors may extend processing timeframes or require additional processing actions and costs, or that additional work may be appropriate to fully evaluate the feasibility of the land exchange. In addition, the factors identified may help in completing the feasibility analysis and in designing the processing of the land exchange. If the identified factor is not applicable to the land exchange proposal, check “N/A.” A comment page may be attached to further explain answers if considered appropriate.

FACTOR	TRUE	FALSE	N/A
Property Characteristics			
Acquisition of the non-Federal lands is in conformance with the current land use plan (e.g., resource management plan (RMP) or management framework plan (MFP)).			
Disposal of the Federal lands is in conformance with the current RMP or MFP.			
Non-Federal Lands			
The non-Federal exchange party has provided current title evidence (e.g., title commitment) to the BLM.			
The non-Federal exchange party is the owner of the non-Federal lands.			
If there are multiple owners, all owners are agreeable to the proposed exchange.			
If not the owner, the non-Federal exchange party has provided evidence that they have obtained, or can obtain, a purchase option or other acceptable agreement from the current owner.			
The title evidence does not indicate any unacceptable title encumbrances (subject to review by the Solicitor’s Office or the Department of Justice).			
If unacceptable title encumbrances exist, it is expected they can be removed before closing of the exchange.			
The non-Federal exchange party is not proposing to reserve additional rights not shown on the title evidence.			
There are no third-party mineral ownerships (split estate) or other severed property interests.			
If third-party interests exist, the identities of the other owners are known.			
If third-party interests exist, they are not expected to adversely affect the BLM’s future management of the non-Federal lands, if acquired.			
There are no known tenants or business interests (e.g., lessees) on the non-Federal lands that may be eligible for relocation benefits.			
There are no leases, contracts, or other agreements on the non-Federal lands that would remain in effect after the expected closing date of the exchange.			

FACTOR	TRUE	FALSE	N/A
There are no prohibitions under state or local laws for the United States to acquire certain property interests (e.g., water rights) and the United States can satisfy requirements for future retention and management (e.g., beneficial use).			
The Solicitor's Office has delegated authority for the review and acceptance of title (see WO IM 2007-181 for description of limitations).			
Federal Lands			
Federal records have been searched (e.g., master title plat, historical index, Legacy Rehost 2000, mining claims, livestock grazing records, etc.).			
The Federal lands are public domain lands or, if reconveyed lands, there are no limitations on subsequent conveyance out of Federal ownership (e.g., Land and Water Conservation Fund acquisition, etc.).			
There are no designations, encumbrances, or title issues that would preclude disposal of any of the Federal lands.			
There are no withdrawals, segregations, or classifications that would have to be modified or terminated in order to convey the Federal lands.			
Rights to be reserved by the United States (e.g., access, mineral ownership, etc.) have been determined.			
There are no restrictive covenants being proposed on the Federal lands.			
Legal descriptions of the Federal and non-Federal lands appear to be adequate for conveyance and no additional surveys would be required.			
Initial physical inspections of the Federal and non-Federal lands have been completed.			
Property boundaries have been identified on-the-ground.			
Locations of encumbrances in the records match the "as-built" locations.			
There are no encumbrances that are not shown in official title records.			
All constructed assets (structures and other improvements) have been identified.			
There are no known trespass uses or facilities.			
There is no visible evidence of recognized environmental conditions (REC) (e.g., hazardous substances, petroleum products, etc. having been used, stored, or released on the Federal or non-Federal lands).			
There is no visible evidence of RECs on adjacent or nearby lands that may potentially affect the Federal or non-Federal lands.			
Valuation			
The Department of the Interior Office of Valuation Services has provided current value consultation services or preliminary estimates of value for the Federal and non-Federal lands.			
Valuations of the Federal and non-Federal lands would not involve appraisal of minerals, timber, water rights, structures, lease rights, or commodity interests.			
Flexibility exists to adjust the acreages of the Federal or non-Federal lands to equalize values and minimize any equalization payment.			
The Federal and non-Federal lands are in similar real estate markets and would be expected to appreciate/depreciate at approximately similar rates.			

FACTOR	TRUE	FALSE	N/A
Processing Issues			
Alternatives to the proposed exchange (e.g., sale of the Federal lands, purchase of the non-Federal lands) have been considered.			
The non-Federal exchange party is a citizen of the United States or a corporation or legal entity subject to the laws of the United States and in good standing.			
Acquisition of the non-Federal lands is a high priority for the BLM.			
National priority			
State priority			
District/Field Office priority			
Proposed future uses of the Federal and non-Federal lands, if conveyed, have been determined.			
The BLM has the ability to manage the non-Federal lands, if acquired (e.g., land use planning, budget, staffing).			
Preliminary resource evaluations (e.g., cultural, threatened and endangered species, minerals, wetlands, floodplains, wilderness, etc.) have been completed on the Federal and non-Federal lands.			
Existing information does not indicate the need for cultural mitigation, Section 7 consultation, or other extraordinary processing requirements.			
Resource values on the non-Federal lands appear to be equal to or greater than the resource values on the Federal lands.			
Intended uses of the Federal lands, if conveyed, are not expected to substantially conflict with management on adjacent Federal or Indian trust lands.			
Mineral values have been considered and are considered appropriate and consistent with the purpose of the proposed exchange.			
The grazing permittee on the Federal land is the non-Federal exchange party.			
If not, the grazing permittee(s) are expected to waive the 2-year notification requirement under 43 CFR 4110.4-2(b).			
If not, there are no livestock grazing improvements that would require compensation.			
The Federal and non-Federal lands are within the area administered by one BLM office.			
If not, all affected offices support the exchange proposal.			
If not, there is agreement among the offices concerning the processing schedule and the responsibility for completion of processing tasks.			
Responsibilities for completion of tasks and sharing of costs have been discussed with the non-Federal exchange party.			
The non-Federal exchange party would fund 50 percent or more of the estimated costs.			
Federal funding would be available for the BLM's costs.			
Known or anticipated workload commitments for all affected staff in all offices would not be expected to preclude completion of the exchange within a reasonable (e.g., 2-3 year) time period.			
The exchange proposal is not primarily for the benefit of another Federal agency.			
If not, documentation of the benefiting agency's authority to acquire the non-Federal land has been provided to the BLM.			

FACTOR	TRUE	FALSE	N/A
If not, the BLM has the authority to be involved in an exchange for the benefit of the other agency.			
If not, the benefiting agency has been informed of BLM regulations, policies, and procedures for exchanges.			
If not, the BLM has been informed of the other agency's regulations, policies, and procedures for exchanges.			
If not, the benefiting agency will complete various exchange tasks and/or provide funding to the BLM for the completion of tasks.			
There are no additional actions (e.g., land use plan amendment, withdrawal modification/termination, post-exchange withdrawal for the non-Federal lands, etc.) that must be processed concurrently with the exchange proposal.			
If not, delegations of authority have been determined.			
If not, requirements, processes, costs, and timeframes for completing the additional actions have been incorporated into the processing schedule for the exchange.			
The exchange is proposed to be completed in a single closing transaction.			
Compensation for assumptions of costs is not proposed in the exchange.			
If the non-Federal exchange party has entered into contracts or other agreements involving any of the Federal or non-Federal lands, the non-Federal exchange party is aware of, and agreeable to, the BLM's full disclosure requirement (see WO IM 2010-123).			
If a facilitator is involved, the facilitator is aware of, and agreeable to, the BLM's full disclosure requirement (see WO IM 2010-123).			
Governmental/Public Support/Opposition			
There is no expected internal opposition.			
There is no expected opposition from members of Congress, other Federal agencies, or tribal governments.			
There is no expected opposition from state agencies.			
There is no expected opposition from local governments, including issues related to the amount of Federal lands within the county or loss of property tax base versus payments in lieu of taxes.			
There is no expected opposition from adjacent landowners or authorized users of the Federal and non-Federal lands.			
There is no expected opposition from interest groups or the general public.			
There is no expected political pressure from the non-Federal exchange party, elected officials, interest groups, or other entities to complete the exchange.			