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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

COMMUNITY AND ECONOMIC  
DEVELOPMENT DIVISION

APR 23 1981

Mr. R. Max Peterson  
Chief, U.S. Forest Service  
U.S. Department of Agriculture *AEC 800 34*  
Washington, D.C. 20250



Dear Mr. Peterson:

Subject: Forest Service Land Exchange Activities  
In the Chattahoochee and Oconee National  
Forests

We have completed our review of a proposed land exchange with Ben Foster et al (case number A-2064) involving the Chattahoochee National Forest in Georgia. This review was made at the request of Congressman Larry P. McDonald to determine (1) if applicable laws, regulations and Forest Service procedures were followed in the proposed exchange and (2) the adequacy of Forest Service regulations and procedures for land exchanges made under the authority of the Weeks Law, as amended (16 U.S.C. 516). *Lawrence P. R*

To accomplish these objectives, we reviewed the proposed land exchange and presented our views to you in a letter report dated December 17, 1980. In a follow-on to this work we reviewed two additional land exchanges recently completed within the Brass-town District of the Chattahoochee National Forest and the Oconee District of the Oconee National Forest to get a better understanding of pertinent Forest Service procedures. *DLG 06612*

We discussed the land exchanges with, and reviewed the land exchange files maintained by, the cognizant District Rangers, Forest Supervisor, and the Regional Office in Atlanta, Georgia. We also reviewed applicable laws and Forest Service regulations and procedures relating to land exchanges in the National Forest System.

During this limited review, we noted the following matters which we are bringing to your attention.

1. The Weeks Law requires that the values of land exchanged either shall be equal, or if they are not equal, the values shall be equalized by the payment of money to the grantor or to the Secretary of Agriculture, as the circumstances require. The law further provides that the Secretary should try to reduce the amount of the payment to as small an amount as possible. However, there does not appear to be a specific basis for rounding the values to equalize a difference.

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In our review of the proposed exchange we noted that land exchange values, as presented to the congressional oversight committees on September 5, 1980, which is required for Weeks Law exchanges, were equalized by rounding off a total of \$1,189. Regional Forest Service officials told us that other land exchanges have been equalized by rounding off as much as 10 percent of the value. If it is determined that such a practice is within the intent of the Weeks Law, we believe that the Forest Service should develop guidelines for rounding land exchange values so that all Forest Service regional offices would follow a uniform procedure.

2. Forest Service procedures require that when a proponent initiates an exchange, the proposal shall be set forth in writing and must include a statement of ownership or other right to make such an exchange. However, the sample proposal, referred to as a "statement of intent", included in the Forest Service procedures does not contain the required statement of ownership. The sample statement of intent only states that it will be the proponent's responsibility to provide a clear title to his property.

Without having the required statement of ownership or other right to make an exchange, the Forest Service might appraise lands that an exchange proponent ultimately cannot acquire. For example, in the proposed exchange, we noted that the Forest Service paid for the appraisal of an 80-acre tract of land that the proponent did not own and could not acquire. We believe that the Forest Service should modify its statement of intent form to include a statement that the proponent either owns the land or has a firm option to buy it.

3. Forest Service procedures state that all exchange properties will be appraised to determine their fair market value and that no appraisal will be used which is over 12 months old. Although there are no requirements for having two independent appraisals, Regional officials stated that, in unusual cases, two independent appraisals have been obtained on the same property. In order that all regional offices follow the same practices, we believe that Forest Service procedures should provide specific guidelines concerning the circumstances under which two independent appraisals would be appropriate. We believe that proposed exchanges which involve controversial aspects or on which major questions are raised should receive a second independent appraisal.

4. We note that under present procedures, the Federal Government bears the full cost of surveys and appraisals of the lands proposed for exchange. Since such exchanges are considered mutually advantageous to both parties, the Forest Service may wish to revise its procedures to require that other parties to land exchanges reimburse it for half or some equitable portion of these costs.

5. Land exchanges made under authority of the Weeks Law with land values of \$25,000 or over must be approved by the Secretary and submitted to the congressional oversight committees (Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture) for review. This criteria for congressional oversight review may be too low, especially in view of current land values and when compared to the oversight requirements for land exchanges made under the General Exchange Act, as amended, (16 U.S.C. 485-86). Land exchanges made under the General Exchange Act, with land values of \$100,000 or more require congressional oversight reviews.

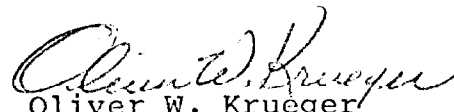
Washington and Regional Forest Service officials advised us that if the level at which Weeks Law land exchanges must be submitted for oversight review was increased to that of the General Exchange Act, some time could be saved on each exchange. We recognize, however, that such a change also would lessen the amount of oversight provided by the committees. Accordingly, we believe the Forest Service should discuss with the committees whether the need for oversight warrants retaining the \$25,000 limit or whether this level should be increased.

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We would appreciate your informing us of your views on the matters discussed above.

Thank you for the cooperation and support given to our representatives during this review. Your staff provided timely and valuable assistance and allowed our representatives to do their job more efficiently.

Sincerely yours,

  
Oliver W. Krueger  
Senior Group Director