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BY THE COMPTROLLER GENERAL

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**Report To The Chairman,  
Committee On Energy And Commerce  
House Of Representatives  
OF THE UNITED STATES**

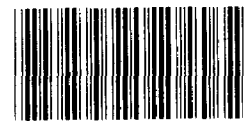
**Streamlining And Ensuring Mineral  
Development Must Begin At  
Local Land Management Levels**

Success in streamlining and accelerating mineral development on Federal lands depends on the Bureau of Land Management State Offices ultimately responsible for the implementation of Interior minerals policies.

GAO found that the Eastern States Office of the Bureau of Land Management

- has not yet effectively dealt with potential Federal mineral trespass in the East,
- is unable to timely issue mineral leases and permits, and
- has been unable to effectively deal with new areas of mineral interest because of Department actions.

GAO makes recommendations to improve the mineral trespass program, help relieve lease and permit backlogs, maintain dedicated staff, and improve headquarters communications with State offices.



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COMPTROLLER GENERAL OF THE UNITED STATES  
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B-205344

The Honorable John D. Dingell  
Chairman, Committee on Energy  
and Commerce  
House of Representatives

Dear Mr. Chairman:

At your request, this report expands on our 1979 analysis of coal trespass in the Eastern States.

The Eastern States Office (ESO) of the Bureau of Land Management (BLM) has unique responsibilities. Rather than managing the surface of huge tracts of public lands as Western BLM offices do, ESO primarily controls the subsurface mineral estate of some 39.7 million acres of Federal lands in 31 States. The surface area of 96 percent of these lands is controlled by other Federal agencies, but the mineral leasing responsibilities lie with BLM. Therefore, ESO's role is critical to the development of Federal minerals in the East. (See app. I, p. 1.)

In recent reports, we have described problems at the Eastern States Office in issuing oil and gas leases and protecting Federal minerals from trespass. This current evaluation is a follow-up to these efforts to determine (1) how effectively ESO is dealing with potential Federal mineral trespass, (2) how timely ESO is in issuing mineral leases and permits, and (3) whether ESO is able to deal with new areas of mineral interest.

Our audit work was done from June to August 1981 at ESO. We collected and analyzed data for certain mineral lease and permit offers (see app. I, p. 3), reviewed trespass files (see app. I, p. 2), and interviewed BLM officials, both at headquarters and ESO, to determine how ESO's work is progressing. We also contacted Forest Service, Department of Justice, and Corps of Engineers officials to follow-up on our findings.

We believe that the problems we identified at ESO could have broader implications for the Interior Department. Recently, the Director of BLM announced a reorganization of the Washington staff of BLM. One of the primary objectives of this reorganization was to focus high priority on energy and minerals work, with a view toward increasing the availability of Federal lands and resources for energy and mineral development, one of the administration's chief concerns. However, the Washington reorganization will have minimum effect on expediting issuance of actual leases because it will not provide resources or staffing to State offices where this work must be done. If BLM is to be successful in streamlining

and accelerating mineral development, greater attention may need to be given to the problems at State offices ultimately responsible for the implementation of BLM policies. Certainly, this is the case with ESO.

In addition, the Secretary of the Interior has recently received complaints from members of the public about inefficiencies at ESO. We believe the public has reason to be concerned about the timeliness and responsiveness of ESO, but we determined that many of ESO's problems are not self-generated. Many Department and BLM actions have contributed to ESO's inability to keep up with an increasing workload.

SHORTCOMINGS STILL EXIST IN  
ESO MINERAL TRESPASS PROGRAM

In a 1979 report to you <sup>1/</sup>, we reported that BLM and ESO had failed to develop a strategy to safeguard Federal coal in the Eastern States. Since the issuance of our report, BLM has made some effort to improve its mineral trespass prevention program. However, several of these efforts have had limited success and the program still has shortcomings--shortcomings that if left uncorrected may foster an increase in unauthorized mineral use as the demands for sources of energy and minerals intensify. The shortcomings include

- lack of an adequate ongoing systematic method for monitoring mineral resources and identifying trespass on Federal lands in the East,
- inadequate staff resources to detect suspected mineral trespasses,
- no formalized public awareness program on mineral trespass, and
- no determination of whether old mineral trespass cases may warrant an exception to the statute of limitations on criminal acts.

Furthermore, ESO has not aggressively sought the assistance of other surface managing agencies in monitoring Eastern minerals for trespass. (See app. I, p. 8.)

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<sup>1/</sup>"Coal Trespass in the Eastern States--More Federal Oversight Needed," EMD-79-69, May 25, 1979.

To date, areas where trespass has been found have been areas where Federal minerals ownership mapping is completed. Until further mapping is completed, it will be impossible to determine the full magnitude of Federal mineral trespass in the East. The Federal Minerals Management Mapping Program (FMMMP) has been underway at ESO since 1974. BLM developed this mapping program with the help of other public agencies to search thousands of title documents for the basic inventory data on Federal land and mineral ownership, which was to be depicted on maps and ultimately used for more effective resource management. Although FMMMP is scheduled for completion in 1985, as of October 1981 less than half of the planned 267 maps covering the 31 Eastern States have been completed and plotted.

Our review of agency documents and discussions with mapping program officials and technicians show that ESO's ability to complete the mapping in a timely manner has been hampered by the continual, rapid turnover of cartographic technicians. During fiscal year 1981 only about half of ESO's FMMMP budget was spent. By early fiscal year 1982, the mapping staff included only one technician and one coordinator although six staff positions are authorized.

ESO EXPERIENCING SIGNIFICANT  
DELAYS IN PROCESSING MINERAL  
LEASES AND PERMITS

Applications for mineral leases and permits have more than tripled during the past 5 years at ESO. This is largely in response to industry interest in a potential oil and gas belt in the Appalachian region (Eastern Overthrust Belt). In our February 1981 report to the Congress <sup>1/</sup>, we identified significant delays in issuing oil and gas leases in the East. The backlog at ESO by October 1981 was over 9,000 cases. In this regard, ESO processed only about 1,700 applications in fiscal year 1980, although about 3,000 new applications were received. Our sample analysis shows that as of July 1981, only 15.5 percent of the mineral leases and permits filed at ESO in May 1979 had been issued or rejected. Generally, over-the-counter oil and gas leases at ESO have taken more than 3 years to issue. Because of increased filings, backlogs have been steadily increasing. Current goals are to issue all applications filed through 1978 before fiscal year 1983.

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<sup>1/</sup>"Actions Needed to Increase Federal Onshore Oil and Gas Exploration and Development," EMD-81-40, Feb. 11, 1981.

Some of the lease records at ESO contain errors which, with present staff levels, have had to go uncorrected. If an effort were made to correct the records, lease processing at ESC would fall even further behind. Failure to reconcile these records prevents any valid computerization of ESO's case management functions as proposed by BLM for State offices. Questions from the public and assistance to other staff often keep minerals personnel from their lease processing tasks. Public records cannot be kept current because of backlogs and the constant use of these documents by members of the public. Turnovers in adjudication and dockets staff, who perform the primary lease processing functions, and the learning curve in training new staff contribute to ESO's leasing problems. (See app. I, p. 15.)

ESO's ABILITY TO DEAL WITH  
NEW AREAS OF MINERAL INTEREST  
IMPEDED BY DEPARTMENT ACTIONS

When new areas of mineral interest develop, ESO's ability to process applications largely depends on (1) Interior Department policy towards development of minerals and (2) cooperation of the surface management agencies in the States involved. We believe Department policy has had the bigger impact on ESO's workload since surface agencies, with the exception of the Corps of Engineers, have generally cooperated with ESO's requests. Recent and past decisions by the Department have had profound impacts on ESO's ability to be responsive to the public. Two examples of this are (1) the recent lifting of the moratorium on oil and gas leasing on acquired military lands (see app. I, p. 17), and (2) Department delays in decisions on phosphate mining in Florida's Osceola National Forest (see app. I, p. 18.)

Lifting the moratorium on oil and gas  
leasing on acquired military lands  
has added to ESO's administrative burdens

The prior Interior Secretary's moratorium on oil and gas leasing on acquired military lands, when it was recently lifted, added to the backlogs and workload at ESO. During the August open filing period authorized by the Secretary, approximately 1,470 applications were received at ESO, increasing previous lease backlogs to about 9,000. Previous applications for oil and gas leasing on acquired military lands now appear freed for processing; however, many of these applications are still, in effect, subject to the moratorium because of an ongoing lawsuit and cannot be processed. Moreover, it is questionable whether any military land leases will actually be issued during the current administration given (1) large lease backlogs at ESC and other BLM offices which have priority over new applications and (2) reluctance of the military to allow leasing on their lands.

In attempting to quickly make available opportunities to lease oil and gas on military lands, the current Secretary failed to obtain the views of the other agencies or local BLM offices which would be affected. Neither the Departments of Defense or Energy, nor the BLM State Offices, including ESO, most directly involved with acquired military lands were consulted on the impacts of lifting the moratorium. Even though over 70 percent of all the applications for military acquired lands through October 1979 had been filed at ESO, its input was not solicited in implementing the decision.

It is unclear to what extent the current approach to opening lands was based on reasonable consideration of all alternatives and their tradeoffs. For example, the military's traditional unwillingness to allow oil and gas leasing on military bases makes progress in leasing acquired military lands questionable. As we stated in our February 1981 report, base commanders have rejected requests to allow oil and gas leasing on their military installations without providing justification to ESO. This trend is likely to continue under the current system. Thus, ESO will still have to transmit all new filings to the Department of Defense (DOD) for consent and title reports. Processing will continue until an acceptance or rejection of the lease is received from DOD officials.

Current procedures have added to the tremendous backlogs at BLM State Offices with no guarantee that any more lands will actually be made available for leasing. The time and expense BLM-wide involved in processing over 8,800 military lands applications, many of which the military is unlikely to accept, could have been saved under at least one alternative approach to leasing available to the Interior. Industry interest could have been solicited first, and then consents could have been requested from DOD before any lands were posted as "open."

Delays in issuance of phosphate  
mining leases in Osceola National  
Forest beyond ESO's control

BLM has not taken final action to approve or reject 41 lease applications to mine phosphate in the Osceola National Forest although these applications were filed over 12 years ago. Responsibility for processing and approving mineral leases in the East rests with ESO; however, in this case, the Washington office of BLM and later the Secretary of the Interior assumed the primary decisionmaking roles.

During the period these lease applications have been pending, Department policy towards phosphate development has shifted several times. Local BLM levels were not always informed of these changes.

Currently, the administration is moving forward to issue the leases and has reversed the May 1980 secretarial decision against phosphate mining in Osceola. ESO is moving to final process the applications but must await final concurrence of BLM's Washington Office before any leases can be issued. Another shift in the Department's thinking could halt further ESO progress in taking final action on these applications.

OBSERVATIONS ON FACTORS WHICH  
INFLUENCE ESO'S PERFORMANCE

We determined that many factors affect ESO's ability to keep well-trained staff and carry out minerals management responsibilities. The unattractive location of the office, low pay scales, and unique nature of ESO's records contribute to ESO's inability to compete for personnel in the Washington area. Generally, ESO's managers' grade levels are lower than other BLM State offices, and its technical personnel are lower-graded than other Federal agencies in the Washington metropolitan area which have similar functions. These staffing problems are affecting ESO's ability to be timely and responsive to the public.

BLM's headquarters communication with ESO has also been poor. Only in April 1980 was it decided that ESO be delegated full "state office" administrative status. However, this designation appears to have had no impact. Personnel grades have not been reclassified as recommended in the 1980 study. Little or no feedback has been received by ESO staff on their suggestions for revising the hardrock leasing regulations and acquired lands oil and gas leasing procedures. ESO's input was not solicited when BLM implemented the Interior Secretary's decision to lift the moratorium on leasing acquired military lands, and as a result, time is likely to be spent processing lease applications that the military will not accept.

BLM headquarters officials who are responsible for energy and minerals programs have suggested that ESO's problems are not unique since other State offices also are experiencing high vacancy rates and large oil and gas lease backlogs. If this is the case, then BLM cannot possibly be responsive to the Department's desire to increase the availability of Federal lands and resources for energy and mineral development. Resolving the problems at State offices ultimately responsible for implementing the Interior policies should be a high priority.

CONCLUSIONS AND RECOMMENDATIONS

We determined that ESO

- (1) has not yet effectively dealt with potential Federal mineral trespass in the East,



- (2) is unable to timely issue mineral leases and permits, and
- (3) has been unable to effectively deal with new areas of mineral interest because of the Interior Department actions.

Many of the previous problems we identified at ESO involving mineral trespass and mineral leasing continue to exist. Therefore, we believe actions are needed to reevaluate and reemphasize these programs. Moreover, efforts to expedite leasing and protect minerals from trespass at ESO are likely to contribute to increased Federal revenues over the long term.

RECOMMENDATIONS TO THE  
SECRETARY OF THE INTERIOR

In order to improve the mineral trespass program, we recommend that the Secretary of the Interior direct BLM to

- expand the use of memoranda of understanding with other surface-managing agencies to enlist their assistance in monitoring mineral trespass,
- initiate a more active public information mineral trespass prevention program, and
- pursue contracting options to expedite the completion of Federal mineral ownership maps in the East.

In order to expedite mineral lease issuance, we recommend that the Secretary of the Interior direct BLM to take actions to relieve ESO's workload, such as

- closing ESO to the public for some period (perhaps 1 day a week) in order to give ESO staff uninterrupted time to work on backlogs,
- hiring a technically knowledgeable person, such as an experienced retiree or annuitant, to work in ESO's public room and answer the public's questions about lease records, and
- sending a task force to ESO to audit public room records and the dockets branch.

To assist ESO in recruiting and maintaining dedicated staff, we recommend that the Secretary of the Interior direct BLM to

- implement a personnel evaluation of ESO (phase II of the March 1980 ESO Policy Study) to determine that its

personnel structures are comparable to other BLM State offices. If a more equitable pay scale is not possible, the Secretary should examine alternatives, including moving ESO to a lower cost geographic area, to try to alleviate this problem.

--evaluate grade structures and technical experience needed by ESO's cartographic technicians and land law examiners to assure that salaries are competitive and experience requirements are reasonable.

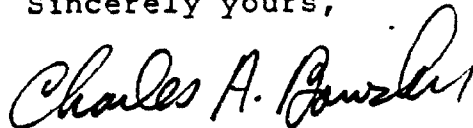
As necessary, to avoid repetition of the military lands and phosphate leasing cases, in new areas of mineral interest we recommend that the Secretary of the Interior consult with the Director of BLM and obtain BLM and State offices' input to evaluate the impact of policy changes that must be implemented at local levels.

We believe that these actions, with the possible exception of two, can be taken within current funding levels through reallocations by ESO management or changes in program priorities. However, any subsequent increase in grade levels and salaries for ESO staff or relocation of the office will involve the need for BLM to approve more funding for ESO. More details on the results of our review are contained in the appendix to this letter.

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At the request of your office, we did not obtain official comments from the Department of the Interior on the draft report. As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution on this report until 30 days from the date of the report. At that time, copies will be sent to the Department of the Interior and other interested parties.

Sincerely yours,



Comptroller General  
of the United States

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### ABBREVIATIONS

ELM	Bureau of Land Management
DOD	Department of Defense
EIS	environmental impact statement
ESO	Eastern States Office
FMMMP	Federal Minerals Management Mapping Program
MOU	memorandum of understanding
USGS	United States Geological Survey



STREAMLINING AND ENSURING MINERAL DEVELOPMENTMUST BEGIN AT LOCAL LAND MANAGEMENT LEVELSOVERVIEW OF  
EASTERN STATES OFFICE

The Eastern States Office of the Bureau of Land Management has unique responsibilities. Rather than managing the surface of huge tracts of public lands as Western BLM offices do, ESO primarily controls the subsurface mineral estate of some 39.7 million acres of Federal land in 31 States adjacent to and east of the Mississippi River. The surface area of 96 percent of these lands is controlled by other Federal agencies, but the mineral leasing responsibilities lie with BLM. Therefore, ESO's role is critical to the development of any minerals in the East.

Mission and  
responsibilities  
of ESO

In April 1980, BLM recognized minerals management as the primary mission of ESO. Surface resources were recommended to be transferred to other State and Federal agencies where minerals programs would not be adversely impacted. Since the establishment of ESO in 1966, its functions have expanded to include mineral leasing, cadastral survey, lands records, resource management planning, environmental assessment and review, wild horse and burro relocation, and coastal zone management plan review. ESO has ongoing mineral leasing activities for coal, oil and gas, phosphate, uranium, hardrock minerals, and geothermal energy.

ESO's current organization includes staff in Alexandria, Virginia, and two field offices--Tuscaloosa, Alabama; and Duluth, Minnesota (the Lakes States District Office).

Past evaluations of ESO have  
resulted in few changes

The Department has sent several teams to ESO in recent years to analyze the effectiveness of its operations. In 1978 the Washington office of BLM completed a general management evaluation of ESO. This was followed in 1980 with a task force assessment (Eastern States Office Policy and Program Study). As a result of these analyses, minerals management was recognized as the primary mission of ESO. It was further recommended that ESO do a self-analysis of its case processing, mineral leasing, and workload management areas to improve its operations. Some task force evaluations of these problems have been done. For example, in December 1980, staff of ESO analyzed the oil and gas lease offer backlog at the office and concluded that ESO "cannot

expect to keep up with new filings, let alone eliminate or reduce our backlog." The team recommended that ESO improve external and internal training of staff and coordination between branches and sections of the office working with oil and gas. Since that report, training has been increased and some of the oil and gas functions of the office have been reorganized.

A third BLM review of administrative procedures at ESO (procurement, property management, finance, and safety) was completed in July 1981. Specific actions were recommended to improve property management activities at ESO.

However, none of BLM's studies addressed the causes of ESO's problems, such as the office location, pay scales, and unique records systems. As a result, the studies' impacts have largely been administrative, clarifying the mission of ESO without changing the staffing or workload problems.

#### Status of ESO fiscal year 1982 budget

ESO has recently sustained a 12-percent budget cut for fiscal year 1982 and currently has a planned budget of approximately \$5.6 million. Its personnel budget is 180 staffyears, comprised of 103 full-time permanent positions and 77 others. ESO currently has 87 full-time permanent staff and an equivalent of about 65 other full-time personnel. If this level is maintained, during 1982 it would use 152 of its 180 approved staffyears--a 28-staffyear shortfall. With a hiring freeze in effect and given the difficulty ESO has experienced in maintaining its current staffing and filling vacancies under normal conditions (see p. 10 and 15), it appears doubtful that ESO will improve its staffing level or use its authorized funding.

#### OBJECTIVES, SCOPE, AND METHODOLOGY

Our efforts have been primarily directed at following up on the recommendations of two prior GAO reports. Our objectives were to determine:

- How effectively is ESO dealing with potential Federal mineral trespass?
- How timely is ESO in issuing mineral leases and permits?
- Is ESO able to deal with new areas of mineral interest?

For our trespass work, we examined all current trespass files at ESO and evaluated their data on the status of trespass investigations. We similarly reviewed ESO documents on the status of the satellite monitoring program and the minerals mapping program. We compared our findings with the Department of the Interior's formal

response to our May 25, 1979, report, "Coal Trespass in the Eastern States--More Federal Oversight Needed," (EMD-79-69). In discussions with ESC and BLM officials, we then attempted to determine why discrepancies exist in the Interior statements vs. actions.

Our mineral leasing work was based on an evaluation of 1 month of ESO activity. Our criteria in selecting a month were that it (1) reflect a range of filings of different types and (2) be over 12 months ago so that ESO would have had a reasonable period in which to have issued some leases. We then randomly selected May 1979 for our sample (25 months prior to our review) because it met both criteria. We collected basic data on the age and status of all applications filed in May 1979 and compared our findings with our February 11, 1981, report, "Actions Needed to Increase Federal Onshore Oil and Gas Exploration and Development," (EMD-81-40). We discussed current problems at ESO with BLM and ESO officials to determine what has been done by the current administration to expedite mineral leasing.

Finally, our work on new areas of mineral interest in the East updates issues raised in our previous onshore oil and gas report and in a report on minerals management at the Department of the Interior. <sup>1/</sup> We reviewed BLM and ESO documents and met with officials to discuss the impact of policy changes at local levels.

INSUFFICIENT ACTION TAKEN  
BY THE INTERIOR IN RESPONSE TO  
GAO TRESPASS REPORT

In a previous report (EMD-79-69), we reviewed BLM's procedures and monitoring methods for preventing and halting coal trespass and identifying Federal coal ownership. This analysis expands our previous work and evaluates ESO's procedures for all mineral trespass. We previously recommended that the Secretary of the Interior, through BLM and ESO develop an overall strategy and plan to safeguard and otherwise manage Federal coal in the Eastern States, which should have included immediate steps to:

- Establish an effective investigative approach and an appropriately staffed work group to come to grips with existing coal trespass cases.
- Determine the extent of coal trespass in the Eastern States.
- Expand the public trespass awareness program.

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<sup>1/</sup>"Minerals Management at the Department of the Interior Needs Coordination and Organization," June 5, 1981, EMD-81-53.

- Assure that adequate staff resources are made available to accomplish these tasks.

The Interior Department's official response of July 30, 1979, to our report stated that BLM had "developed and instituted programs designed to resolve known cases of coal trespass, identify any other existing cases, and prevent future trespass." We believe that ESO has only dealt with known cases of coal trespass. Neither the identification nor the prevention programs cited by the Interior have reached the implementation stages. Moreover, little of ESO's efforts have gone beyond Alabama.

Since the issuance of our report, BLM has made an effort to improve the mineral trespass prevention program by updating the trespass manual and hiring a full-time trespass coordinator. Efforts to get the States more involved in monitoring Federal minerals for trespass have had limited success. The program still has shortcomings--shortcomings that if left uncorrected may foster an increase in unauthorized use as the demands for sources of energy and minerals intensify. The shortcomings include

- lack of an adequate ongoing systematic method for monitoring resources and identifying trespass,
- inadequate staff resources to detect suspected mineral trespasses,
- no formalized public awareness program on mineral trespass, and
- no determination of whether old but willful trespass cases may warrant an exception to the statute of limitations on criminal acts.

System for monitoring resources and identifying trespasses is inadequate

ESO's efforts to deal with mineral trespass have generally been reactive. Detection is done incidental to other land use planning exercises. According to the ESO trespass manual, trespass is detected in one of four ways

- while conducting resource inventories or other field work;
- while preparing land use planning documents or resource inventory maps;
- while interpreting aerial photos or remote sensing imagery or other such data; or



--from information received from members of the public or other Federal, State, or local agencies.

Thus, ESO chiefly relies on information from other sources or BLM's land planning personnel to detect trespass. Preventive measures have not been emphasized.

In an attempt to identify, resolve, and prevent mineral trespass in the Eastern United States, ESO has undertaken a pilot project to monitor Federal resources by satellite. Researchers at the U.S. Geological Survey (USGS) have developed a process known as Landsat Albedo Monitoring to determine, from satellite observation, areas in which the image of the surface has changed over a given time and another method called Landsat Band-Ratio which also detects disturbed surface areas. Both methods are in the initial stages of development. Testing began in the summer of 1981 with the first study area in Northwestern Alabama. The second study in February-March 1982 is to be conducted in two areas, one in northern Arkansas and the second in southern Missouri.

Albedo Changes and Band-Ratio Images will be developed for the areas specified through a series of aerial photographs taken via satellite. Satellite data of the same location taken on different dates will be analyzed. Maps and computerized scans indicating any areas of change will be produced. Field verification of the changes will then need to be made by ESO personnel. Once the changes are verified, appropriate actions on cases involving trespass will be taken by ESO enforcement agents.

It is questionable whether ESO will really be able to analyze and use satellite data in a timely manner. Satellite technology will only indicate areas of change or potential trespass. To determine the specifics of the change, field verification is required. To date, the cost of preparing the disturbance maps and verifying them still must be determined. Even if photos do become available, at present sufficient staff to analyze and detect the surface mining trespasses is not available.

Both the lack of completed minerals maps and insufficient staff impede the probability of success with the Landsat program. In 1979 we reported that BLM lacked a systematic method of monitoring resources and identifying trespasses through matching aerial or satellite photographs with maps of ownership. As discussed later in this report, minerals ownership mapping at ESO has fallen behind schedule. In addition, ESO does not have an approved plan for obtaining staff needed to review any photographs and maps for identifying trespass. Furthermore, BLM has not aggressively sought the assistance of surface management agencies in monitoring their lands for trespass.

Although the proposed trespass identification measures might be helpful for surface trespasses, ESO still has no plans and programs to identify possible trespasses in underground mineral mining operations. About half of the mining operations in the East are underground and those involving Federal minerals come under the oversight of USGS. Aerial and satellite photographs will not help identify underground mineral trespass, although surface subsidence over time might be detected. Other surface managing agencies do not consider monitoring of any underground operations within their jurisdiction. As a result, no one is really "minding the store" on Federal underground minerals in the East. Moreover, no Federal agency is responsible for inspecting private underground mining operations to identify mineral trespass if Federal minerals are adjacent to privately owned coal. Interior stated in response to our 1979 report that BLM can use mining plans filed with the States to check on infringements on Federal minerals. However, we have no evidence to show this has been done outside of Alabama. Operators may be encroaching upon Federal minerals without the Government's awareness.

Current level of staffing is insufficient to keep abreast of mineral trespass without assistance of other agencies

In our 1979 review, we reported that the staffing resources assigned to review and investigate suspected trespass cases have been inadequate as to their number and disciplines needed to review, investigate, and resolve the cases in a timely manner. We believe this condition still exists. Of the 29 cases still open (see table 1), 23 were reported prior to our last report. Three of the six recent cases are trespasses other than coal. <sup>1/</sup> Only recently have other types of mineral trespass cases been reported. Because field staff and investigators are spread so thinly, it is difficult to detect all unauthorized land use. Current staff with trespass responsibilities are concentrated at ESO and in Alabama. According to the ESO trespass coordinator, no field staff routinely monitor Federal lands in the 31 States.

There are 11 employees who devote part of their time to mineral trespass. ESO's Division of Resource Protection, responsible for mineral trespass, has only one full-time employee who serves as the trespass coordinator. She is responsible for coordinating all types of trespass case activity, such as assuring the preparation of reports. Also in the division are two special agents who only get involved after the initial investigation indicates that the trespass was an intentional theft of Government property. Seven of the other part-time

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<sup>1/</sup>Of the 74 trespass cases identified as of July 1981, 59 have been coal, 12 oil and gas, and 3 other minerals.

Table 1Status of Suspected Mineral Trespass  
Cases Identified as of July 1981

<u>Status of cases</u>	<u>Number of cases</u>
Being screened (note a)	<u>6</u>
Field exam results pending or need follow-up	6
Investigations/reviews in progress (note b)	<u>21</u>
Considered willful trespass and referred to Justice Department	4
Awaiting trespass determination by Regional Solicitor	10
Awaiting appraisal of damages based on the Solicitor's determination	7
Demand for payment letter issued	<u>2</u>
Total active cases registered (note c)	<u>29</u>
Cases already resolved	<u>45</u>

a/Cases which are being screened to determine if notice of trespass should be issued.

b/Cases where trespass notices were issued and investigations or reviews begun.

c/Suspected trespass cases entered in the "Trespass Register" maintained by ESO.

employees work in ESO's Division of Field Operations. Besides regular land planning and environmental work, they are responsible for field examination of suspected trespass activities and all activities on cases determined to be civil trespasses, e.g., making recommendations on specific cases and preparing trespass notices, when such cases do not occur within the area of the two Eastern States field offices. There is also one realty specialist in the Tuscaloosa Field Office responsible for reporting initial trespass notices in Alabama.

According to our 1979 report, BLM's efforts to deal with Eastern States' coal trespass problem had been basically limited to Alabama. We concluded that until BLM's Eastern presence increased, its ability to identify trespasses and safeguard Federal mineral resources would be greatly hindered. That situation has not changed significantly. Nearly 195,000 acres of Federal coal are under non-Federal surface. The tracts are small and scattered throughout 13 States. Because there is little Federal presence on the surface, mineral rights on these lands tend to be forgotten or ignored.

Because ESO's staff is so centralized, trespass to date has chiefly been identified in Alabama. All but 3 of the 29 open trespass cases were located in the Northern Alabama Land Use Study Area, encompassing about 4 counties. ESO's projections indicate an additional 20 to 30 coal trespass cases may be located elsewhere within the 13 States where other Federal minerals are located under private surfaces. According to ESO documents, insufficient travel time and funds present problems in creating a Federal presence because of the large distances involved both for on site inspection and, if needed, boundary survey work.

ESO has surface management responsibility for only 1.5 percent of the mineral lands it manages. Yet ESO has not aggressively sought the assistance of other surface management agencies, namely Forest Service and the States, in monitoring Eastern lands for trespass. To date, only two Eastern States have signed memoranda of understanding (MOU) with ESO because ESO has not actively pursued such agreements. Also, no Federal surface management agencies have MOUs with ESO.

ESO has made some changes since the issuance of our 1979 trespass report, e.g., updating its manual and hiring a full-time coordinator and investigator. However, it still lacks adequate trained staff to monitor and oversee Federal minerals in the East.

Trespass prevention  
program is not formalized

An important step for mineral trespass abatement is the implementation of a public awareness program. Such a public information program is essential because it can act as a deterrent to mineral trespass. Until December 1978, BLM had no such program for trespass. Even now ESO's public information efforts for

trespass have been generally limited to Alabama and to coal. This same type of program has not been extended to include other States or other minerals. According to the Department's response to our 1979 report, ESO would design and initiate a public information program to inform landowners, coal operators, State and local governments, and the public as to the presence and location of Federal minerals in Alabama. We found that although this program was planned to be extended to other States during the remainder of fiscal years 1979 and 1980, public information has not actively been disseminated beyond Alabama.

According to the ESO Public Information Coordinator, there is no formalized trespass public awareness program. However, during discussions on land use planning efforts with other Federal, State, and local government officials, ESO officials have informally discussed their role in the trespass area. To date there has been no program established specifically to foster coordination or cooperation with interested parties, especially Federal surface management agencies and States, concerning mineral trespass. The effort made since 1979 to deal with the trespass problem, moreover, largely consisted of publishing notices that the Government has responsibility for minerals on certain lands and announcing the outcome of court cases. We do not believe that this is sufficient. ESO officials have stated that public information packets are distributed on an ongoing regular schedule; however, they could provide us with no evidence to support this claim.

About 6.4 staffyears are planned to be spent by ESO for its public information program in fiscal year 1982. About 25 percent of this time is planned in energy and minerals work. None of this time is planned for trespass prevention, however. In fact, while the primary mission of ESO is minerals management, the priorities of the public information program emphasize land use planning.

Statute of limitations has  
adversely affected resolution of  
trespass cases

Of the 29 open trespass cases, the U.S. Attorney's office has declined to criminally prosecute 21 cases on the grounds that the statute of limitations has expired. In a criminal case, a suit must be filed within 5 years of the time the trespass actually took place. Because much of the trespass only recently identified took place many years ago, the U.S. Government's ability to prosecute cases criminally is impeded. Because of the age of the thefts, the Department of Justice has not been able to press for criminal damages and has been unwilling to test willful but old trespass cases in the courts for an exception to the statute.

As a result, the majority of trespass cases have been prosecuted on civil grounds. An action to recover civil damages resulting from a trespass on public lands must be brought within 6 years after the discovery of the trespass has been made.

According to the BLM trespass manual, all cases are pursued first on criminal and then on civil grounds. Due to the Justice Department's unwillingness to prosecute old cases, however, this ESO procedure seems to add to paperwork and delays in resolving trespass cases. BLM should either press the Department of Justice to criminally prosecute old trespass cases or develop a process to identify the age of the offense before the Justice Department gets involved. Although the statute of limitations has not caused ESO to stop administrative actions (e.g. requests for payments) against trespassers, settlements of a punitive nature for criminal acts are being hampered.

Delays in mapping Federal Eastern mineral ownership impedes comprehensive trespass prevention program

To date, areas where trespass have been found have been areas where Federal minerals ownership mapping is completed. ESO began the Federal Minerals Management Mapping Program in 1974. BLM developed the mapping program with the help of other public agencies, to search thousands of title documents for the basic inventory data on Federal land and mineral ownership, which was to be depicted on maps and ultimately used for more effective resource management. Although the mapping program was initiated in 1974 and is scheduled for completion in 1985, less than half of the planned 267 FMMMP maps covering the 31 Eastern States have been completed and plotted. (See table 2.) Our review of agency documents and discussions with mapping program officials and technicians shows that ESO's ability to complete the mapping in a timely manner has been hampered by the continual rapid turnover of cartographic technicians.

Recently, the FMMMP mapping goal changed from 198 to 267 maps because of industry interest and new areas of high mineral potential. While the goals have increased, the mapping staff has not. The mapping program is authorized six employees (five cartographic technicians and one FMMMP coordinator). As of October 1981, the FMMMP staff on board included one technician and one coordinator. The rapid turnover of technicians is reportedly due to the low grades that ESO is able to offer employees. As a result, during fiscal year 1981 only about half of ESO's FMMMP budget was spent.

It is reasonable to assume that until further mapping is completed, the full magnitude of Federal mineral trespass in the East will not be realized. For example, oil and gas trespass

Table 2

Status of Federal Eastern Minerals Maps  
(as of October 1981)

<u>Year</u>	<u>Maps</u>	<u>Status of maps</u>
FY 74-81	76	Completed and printed
	<u>54</u>	Plotting completed but awaiting printing
Total completed	<u>130</u>	Actual maps
FY 82	11	In-work status--being plotted at ESO
82	15	In-work--being plotted at Lakes States District Office
82	41	To be worked on
83	37	Proposed to be completed
84	<u>33</u>	Proposed to be completed
Total planned	<u>137</u>	Proposed maps through FY 84
Total	<u>267</u>	

cannot easily be detected unless USGS personnel have access to minerals ownership data. ESO's own budget documents state that there is potential for oil and gas trespass because little or no mapping of oil and gas ownership has occurred.

As mentioned earlier, BLM has not established cooperative agreements on trespass with other surface management agencies. For example, because the minerals status under many Corps of Engineers installations and military reservations is undetermined, mapping these areas is a problem. The Corps of Engineers has no central or regional land ownership records. Additionally, according to ESO energy and mineral officials, in many instances, Corps staff have not been especially cooperative.

#### ESO EXPERIENCING SIGNIFICANT DELAYS IN PROCESSING MINERAL LEASES AND PERMITS

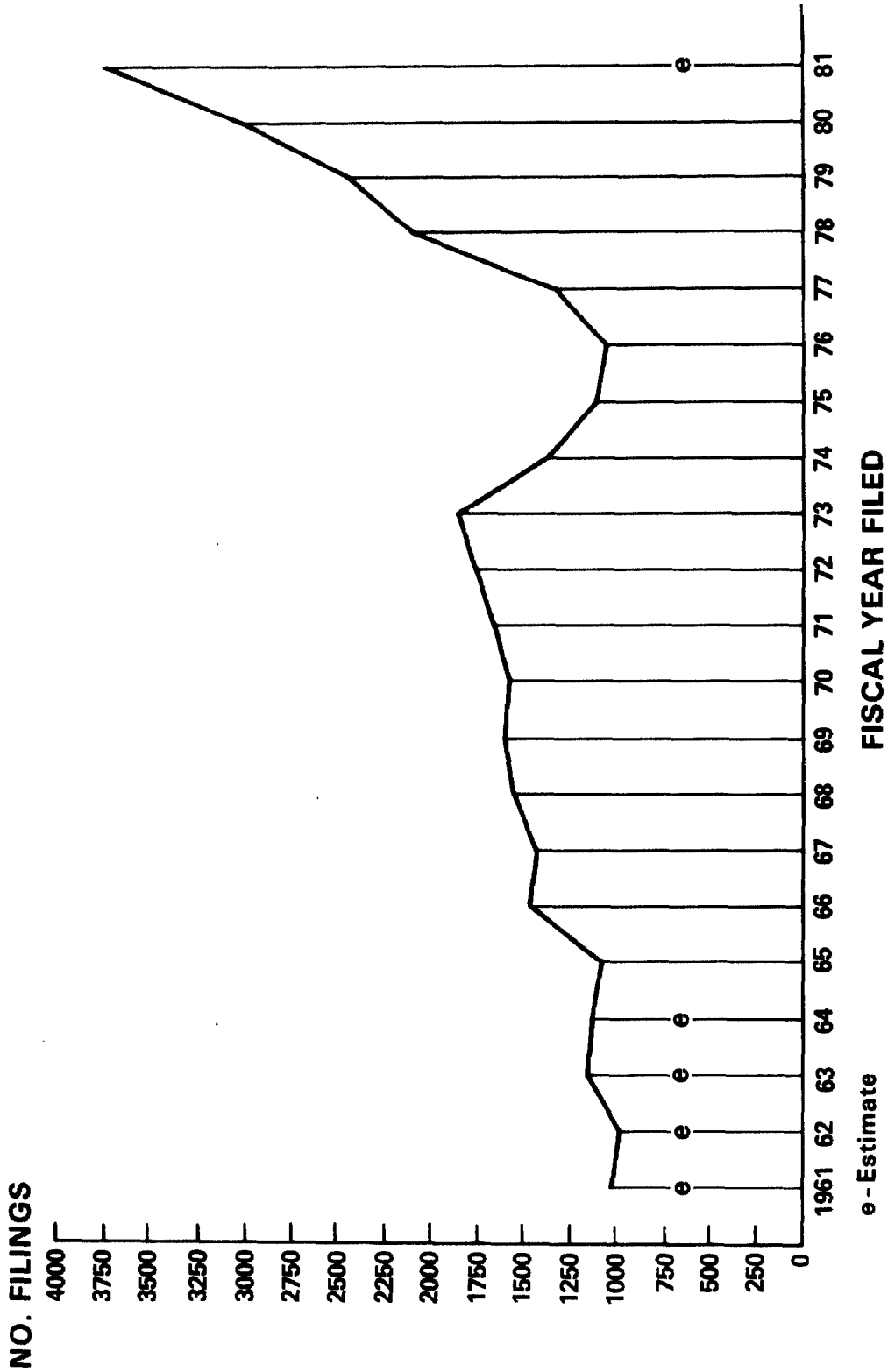
In recent years there has been increasing industry interest in minerals development in the East. This is primarily in response to recent geologists' estimates of a potential oil and gas belt around the Appalachian region (Eastern Overthrust Belt) as well as coal deposits in Kentucky and Tennessee and phosphate discoveries in Florida. As a result of this increased mineral interest, applications for mineral permits and leases have more than tripled during the past 5 years at the ESO. (See figure 1.) For example, last year ESO received about 3,000 applications and was able to process only about 1,700 which represented an improvement in productivity over previous years. ESO documents show that by October 1981 the office was operating with about a 9,000 case backlog.

ESO has been unable to keep up with this flood of new activity while maintaining its oversight of ongoing mineral operations. Our previous work identified delays in issuing over-the-counter oil and gas leases at ESO. These leases generally took over 3 years for issuance--much longer than the BLM State offices in Colorado, Nevada, New Mexico, and Wyoming. Many applications were over 15 months old before surface agencies were contacted for their consent to lease. Other case files had not been pulled for processing. Mail had also been forwarded by ESO to the wrong agencies for minerals title reports. Thus, some lease applications at ESO had "fallen through the cracks" and were not being timely processed.

To update this analysis, we examined data on all mineral filings at ESO for the month of May 1979. We chose this month because a variety of different types of applications for fuel and nonfuel minerals had been filed and because 1979 gave ESO at least 2 years in which to have issued any leases. The applications we reviewed covered minerals in 15 States and were primarily oil and gas offers for Michigan, Florida, and Indiana.



**FIGURE 1**  
**MINERAL APPLICATIONS FILED**  
**AT ESO 1961-1981**



SOURCE: BUREAU OF LAND MANAGEMENT, EASTERN STATES OFFICE

Our analysis shows that of 316 applications filed in May 1979, 242 had not been acted upon and 49 (15.5 percent) had been issued or rejected. Another 25 applications had been withdrawn. (See table 3.) Of 252 over-the-counter oil and gas lease applications filed, none had been issued as of July 1981. The percentage of final actions on hardrock permits was a bit higher. Six of 16 hardrock prospecting permits (37.5 percent) had been issued or withdrawn. ESO's chief, Branch of Minerals Adjudication, explained that it is possible to process hardrock permits more rapidly in many cases because some of the data and approvals can be gathered simultaneously and because there are fewer applications. Since one adjudicator works primarily with hardrock permits and industry interest is less, backlogs are a bit smaller and processing does not depend on issuance of previously filed energy leases.

Table 3

Summary of Actions Taken  
On May 1979 ESO Filings (note a)

<u>Application type</u>	<u>No. filed</u>	<u>No. issued or rejected</u>	<u>No. withdrawn</u>
Oil and gas leases	297	42	24
Mineral permits	16	5	1
Other (note b)	<u>3</u>	<u>2</u>	<u>0</u>
Total	<u>316</u>	<u>49</u>	<u>25</u>

a/As of July 1981.

b/Patents and private lease exchange.

Errors in files  
go uncorrected

To determine how many applications were pending at ESO, we used an internal aging analysis schedule showing how many offers ESO believes are outstanding. This schedule lists backlogged oil and gas cases and lists filings made in 1955 as the oldest offers pending at ESO. We determined that some applications filed in May 1979 and still pending were not recorded on ESO's aging analysis. In addition, four pages were missing from public records and one lease file was lost during our review.

Some files we examined had received responses from other agencies as much as 6 months earlier, but had not been final processed. These files were overdue for adjudication. This indicates that files are not being pulled from the dockets branch in a timely manner and that, as we reported in February, backup systems for monitoring active case files have not been successful. Lost and missing records demonstrate that ESO has failed to develop a standard follow-up system to track outstanding applications as we further recommended.

According to ESO management, it has not been possible to backtrack or audit any of their records for errors, given present staff. Because of the continuous demands and presence of the public in the records room, time cannot be taken to review records used by the public. If an effort was made to correct the records, lease processing at ESO would fall even further behind. ESO management believes that they must maintain current processing efforts or risk halting what one industry representative described as "the present glacial pace of processing offers."

Errors in ESO's records will make any planned computerization of records management unrealistic. BLM has long argued that a computerized system will expedite lease issuance. In order to facilitate BLM plans to test pilot computer projects at State offices, efforts should be made to update, complete, correct, and verify ESO's records as soon as possible. This is likely to require an audit from staff outside of ESO. In addition, correcting ESO's files will assist USGS in identifying unauthorized operators and activities on Federal oil and gas leases.

ESO experiencing many  
problems in filling mineral  
adjudicator positions

Over the past few years ESO has been unable to fill its many vacancies quickly. From 18 to 24 percent of ESO's positions have been vacant throughout the office. The Minerals section of ESO has been especially understaffed. Whereas the office vacancy rate has averaged about 18 percent, 3 of 10 adjudicator positions (30 percent) were vacant at the time of our review. Moreover, there is uncertainty about whether ESO will be able to keep its current number of positions, given the ceilings proposed in the

budget, especially in view of constraints on the use of temporary employees. While BLM has been able to provide ESO levels of funding to support its mineral leasing programs, personnel have not been available to use these funds.

Turnovers in staff and the learning curve involved in training new staff contribute to ESO's personnel problems. Estimates are that it takes over a year for a new land law examiner or adjudicator to learn to process acquired lands lease applications. While new personnel are being trained, experienced staff are not able to work at full productivity. The position classification requirements for land law examiners make it difficult to hire interested staff because (1) the experience requirements are strict and (2) grade levels are low for the type of experience desired. ESO must compete with higher-graded Government positions in Washington headquarters offices and with industry offers which are better-paying than Government service.

In addition, questions from the public which require technical assistance distract ESO adjudicators from their work. Public records cannot be kept current because of backlogs (due largely to vacancies in clerical positions) and the constant use of these documents by members of the public. BLM has authorized the use of flexible work schedules to allow time to work on public records while maintaining a full schedule of hours of public room use. Given that many of these problems existed under ESO's previously reduced hours, we do not believe this change will alleviate the problem.

ESO's ABILITY TO DEAL WITH  
NEW AREAS OF MINERAL INTEREST  
IMPEDED BY DEPARTMENT DECISIONMAKING

When new areas of mineral interest develop, ESO's ability to process applications largely depends on (1) Interior Department policy towards development of minerals and (2) cooperation of the surface management agencies for the lands and States involved. We believe Department decisionmaking has had the bigger impact on ESO's workload since surface agencies, with the exception of the Corps of Engineers, have generally cooperated with ESO's requests. Forest Service, for example, had to prepare new regional environmental assessments for leasing in Georgia, and North and South Carolina after industry interest increased there in 1978 and 1979. These studies have been completed, so that ESO can proceed with lease processing.

Two recent examples of the Department decisionmaking which have affected ESO's workload are (1) lifting of the moratorium on oil and gas leasing on acquired military lands and (2) delays in decisions on phosphate mining in Florida's Osceola National Forest.

Impact on State offices of opening  
military lands to leasing was not  
adequately considered

The Federal Coal Leasing Amendments Act of 1975 contained a provision opening all acquired military and naval lands to mineral leasing (90 Stat. 1090). Such lands had previously been withdrawn from leasing under provisions of the Mineral Leasing Act for Acquired Lands of 1947 (30 U.S.C. 352). After the legislative amendment, Interior promulgated regulations opening the lands to oil and gas filings as of September 21, 1978.

Between the Act's passage in 1976 and the final regulations in 1978, some 300 oil and gas leases on military lands were applied for at ESO. These applications cannot be processed because of an ongoing lawsuit challenging the previous Interior Secretary's decision to cancel 20 issued leases which were applied for prior to the 1978 regulations. Between the 1978 regulations and the November 1979 decision halting leasing on acquired military lands imposed by the previous Secretary, another 450 leases were applied for at ESO, many of which were for the same lands under litigation. ESO applications accounted for over 70 percent of all of BLM's filings on military acquired lands during that period.

When the previous administration imposed the moratorium in November 1979, a study was to be done to determine (1) whether leasing the lands should await new oil and gas leasing legislation, (2) whether the simultaneous filing system (the lottery) should apply to the lands, and (3) whether applications filed after the September 1978 regulatory change should be given priority for leases.

BLM completed its study in early January 1981 and subsequently many changes in the final document were made during Interior Department reviews which were completed in April 1981. Basically, the July 14, 1981, decision was not to await new legislation, but rather allow filings now with the simultaneous system to be used wherever overlap occurred.

In attempting to quickly make available opportunities to lease oil and gas on military lands, the Secretary failed to obtain the views of other agencies or local BLM offices which would be affected. Neither the Departments of Defense or Energy nor any BLM State offices were consulted on the impacts of the Secretary's decision to lift the moratorium. According to BLM headquarters officials, a direct order at the Secretary's level was given to lift the moratorium and the method of implementation, including obtaining the views of others, was a secondary factor due to time constraints. BLM followed the same method to make lands available in its instructions to State Offices as was used in June 1981 when a moratorium on all over-the-counter filings was lifted. However, BLM failed to recognize that the impact of lifting the moratorium on military lands would be like revoking a 6.6-million

acre withdrawal and would generate substantially more interest than normal.

In issuing its instruction memorandum to State offices, BLM's Washington office did not clarify how simultaneous leasing would be applied or how conflicts would be defined and identified on military lands. As a result, many unanswerable questions arose from the public and State BLM staff responsible for carrying out the instructions.

The desire for expediency in opening military acquired lands seems to have overshadowed a reasonable consideration of alternatives that would have been easier to implement at a local level. Because the military has been reluctant to lease lands in the past, it is unclear just how much land will be approved for leasing. However, every application must now be processed by ESO and the other BLM State offices until an acceptance or rejection notice is received from the Department of Defense. This takes time away from the processing of more acceptable lease offers. Approximately 1,450 applications were filed during the August open filing period on acquired military lands within ESO's area. Another 6,500 applications were received in New Mexico and Oregon, doubling these States' backlogs. Many lands have received multiple filings (requiring a drawing) and top filings 1/ in hopes that prior offers will be disqualified. (Because processing takes so long at ESO, many companies are already examining old lease offers and filing second offers on any applications which look like they may have problems.) Neither ESO nor the military departments responsible for searching mineral title records for the applications will be able to be timely and responsive in processing so many applications.

We believe the Interior Department should have discussed its options with BLM State offices before implementing a change. Department efforts to expedite mineral leasing will not be successful unless the local management levels responsible for implementing that policy can plan for the impacts of such changes.

Delays in issuance of phosphate mining leases in Osceola National Forest beyond ESO control

Continuous changes in the Interior policy toward phosphate development, often without State BLM involvement, have affected ESO's ability to process lease applications in Florida.

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1/A top filed application is an application that conflicts with an existing offer because a prior applicant has filed for the land. Top filed cases must be suspended until the prior offer is resolved.

A number of companies were granted prospecting permits in 1965 to explore in Osceola National Forest for phosphate, a key ingredient in fertilizer. These permits entitled the companies to a preference right lease (vs. competing with other companies) to mine if they discovered valuable deposits of phosphate within the permit area. During the period July 21, 1969, through May 25, 1972, companies holding 41 prospecting permits applied for phosphate preference right leases in the Osceola National Forest.

Normally, ESO's responsibilities in administering preference right lease applications to mine minerals include receiving the application and other information that comprise the initial showing; distributing the initial showing to the USGS to verify that valuable deposits had been found; submitting the initial showing and the USGS recommendations to the surface management agency for standard and special lease stipulations; preparing an environmental report (in this case an environmental impact statement (EIS)); sending the lease in final form to the applicant for approval; and finally approving the lease.

In this case, BLM's Washington Office assumed various ESO responsibilities by taking the lead during the 12-year period since the first applications were filed and making direct contacts with the other related agencies. For example, BLM initially assigned the lead for preparing the environmental statement to a BLM division rather than ESO. BLM's Washington Office has also instructed ESO to submit the final lease packages to BLM before ESO signs off for final approval.

Over 12 years have passed since the first lease application was filed and no final action has been taken. This is an inordinate amount of time to process the lease applications. However, we acknowledge that the Osceola case has been complicated by (1) the various suits and counter suits by the State of Florida and the applicants, (2) Forest Service concerns over mining in National Forests, (3) questions about the EIS raised by the Environmental Protection Agency, and (4) the previous administration's preference to forego development of the Osceola phosphate in response to strong State and local opposition.

In addition, the initial permits were subsequently modified because the regulations governing preference right leases were substantially changed in 1976. The newer, more stringent regulations required an initial and final showing, demonstrating that a valuable deposit of phosphate has been found and that the operation would be economically viable. Prior to 1976 the initial and final showing requirements did not exist, and the test for lease issuance was based solely on deposit workability and whether there was a deposit of sufficient thickness and high enough grade at a mineable depth. Officials of BLM's Branch of Onshore Energy and Minerals recently informed us that the regulations are again being revised similar to the pre-1976 regulations to provide for more lenient requirements.

Currently, the administration is moving forward to process the phosphate lease applications. The administration has reversed the Secretarial issue document of May 1980 which considered issuance of the phosphate leases in Osceola to be unacceptable. The first showings of three of the four companies that applied for the preference right leases have been approved and are awaiting the final stipulations from the Forest Service. The USGS is presently working on the initial showing from the fourth company. When Forest Service's final stipulations are received, BLM has instructed ESO to forward the final package to the companies for acceptance and then approve the leases but not before BLM's Washington Office has concurred in the decision. Another shift in departmental thinking could halt further ESO progress in taking final action on these applications.

These applications have taken over 12 years to process with BLM and then the Secretary of Interior assuming the decisionmaking role. We believe that such decisions adversely affected ESO's ability to carry out its assigned mission and exemplify a case where executive decisions impeded ESO's normal management functions.

#### CONCLUSIONS AND RECOMMENDATIONS

##### Insufficient action taken by the Interior in response to GAO trespass report

The management shortcomings mentioned in our previous report on coal trespass have not been adequately addressed by ESO during the past 2 years. For example, in our current evaluation, we found that the majority of open trespass cases were reported prior to 1980, and that ESO still has not established an effective Federal presence in the field. As a result, its ability to identify trespass cases is greatly hindered. ESO is relying on a pilot satellite program to identify mineral trespass. Little effort has been made to enlist the assistance of other parties in monitoring lands for trespass. Formal agreements or memoranda of understandings with Federal agencies and States would help make them more aware of unauthorized users of Federal minerals.

Further, in view of the age of the trespass cases, the U.S. Attorney has declined prosecution in the majority of open cases since the statute of limitations has expired. ESO's ability to identify trespass remains reactive and too late for punitive actions.

Implementation of an active public awareness program throughout the 31 Eastern States could serve as a major deterrent to mineral trespass. To date, however, ESO's public information efforts have generally been limited to Alabama and to coal. The actions promised by the Interior Department in 1979 to expand the program to other minerals and other States have not been actively pursued.



Although its minerals mapping program was initiated in 1974, ESO has completed and plotted less than half of the maps required in its program. Given continual problems in staffing the mapping program, alternatives should be pursued to expedite FMMMP'S completion. Since trespasses have been found in those areas where mapping has been completed, ESO is at a distinct disadvantage in determining the extent of Federal mineral trespass in areas where mapping has not been completed.

While we recognize that management of the mineral resources in the Eastern States--particularly under State and private surfaces--poses some unique challenges, we believe BLM needs to seek assistance in effectively managing the Federal minerals under such lands or as an alternative, seek to divest itself of this responsibility.

ESO experiencing significant delays in processing mineral leases and permits

The new administration has emphasized its desire to increase the availability of Federal lands and resources for energy and mineral development. As part of a recent reorganization, BLM has given priority emphasis to streamlining existing energy and mineral leasing programs and increasing the availability of Federal lands for exploration and development activities, particularly for strategic and critical minerals, coal, oil, and gas.

However, ESO is encountering substantial delays and backlogs in processing mineral leases and permits, of which over 90 percent are for oil and gas. For example, last year ESO received about 3,000 lease applications and processed only about 1,700 others. Moreover, in our May 1979 sample, 74 percent of the applications still had not been acted upon. In addition, we found errors in filing, processing deficiencies, and an absence of follow-up procedures. Changing the office hours for BLM staff is unlikely to effectively reduce these problems since many of these same problems existed under BLM's previously shortened public room hours. These problems are primarily due to a high turnover in staff and the inability to fill positions when they are advertised. Also, the learning curve involved when new staff are hired contributes to the problem.

ESO's ability to deal with new areas of mineral interest impeded by the Department decisionmaking

The Department of the Interior decisionmaking has had a profound impact on ESO's ability to be responsive to the public. Interior's failure to communicate with State offices undermines the ability of staff to feel their work is important and affects morale. For example, implementation of the Secretary's decision to lift the moratorium on oil and gas leasing on acquired military lands affected the backlogs and excessive workload at ESO. The

military has been reluctant to allow oil and gas leasing on its bases. However, Interior's decision assumes all military lands are "open" and requires ESO to process all applications to the Department of Defense. It is probable that the trend of military refusals to lease will continue which will result in unnecessary processing of the rejected applications. This effort could have been prevented had the Interior consulted with ESO and coordinated with DOD before making this decision.

In addition, the Interior has assumed the decisionmaking role in the processing of 41 lease applications to mine phosphate in the Osceola National Forest filed over 12 years ago. While the Department plans to go forward with lease issuance, ESO has been instructed to await final concurrence of BLM's Washington Office before any of the leases can be issued.

Recommendations to the  
Secretary of the Interior

In order for ESO to effectively protect Eastern minerals, we recommend that the Secretary of the Interior strengthen the mineral trespass prevention program to improve its effectiveness in monitoring and safeguarding minerals on Federal lands and prosecuting trespassers in a timely manner. Specifically, we recommend that the Secretary

- expand the use of memoranda of understanding with other States and other Federal surface-managing agencies to enlist their assistance in monitoring mineral trespass,
- initiate a more active public information mineral trespass prevention program, and
- pursue contracting options to expedite the completion of Federal mineral ownership maps in the East.

In order to expedite mineral lease issuance, we recommend that the Secretary of the Interior direct BLM to take actions to relieve ESO's workload, such as

- closing ESO to the public for some period (perhaps 1 day a week) in order to provide ESO staff uninterrupted time to work on backlogs,
- hiring a technically knowledgeable person, such as an experienced retiree or annuitant, to work in the public room and answer the public's questions about lease records, and
- sending a task force to ESO to audit the public room records and dockets branch.

To assist ESO in recruiting and maintaining dedicated staff, we recommend that the Secretary of the Interior direct BLM to

--implement a personnel evaluation of ESO (phase II of the March 1980 ESO Policy Study) to determine that its grade levels are comparable to other BLM State offices. If a more equitable pay scale is not possible, the Secretary should examine alternatives, including moving ESO to a lower cost geographic area, to try to alleviate this problem.

--evaluate grade levels and technical experience needed by ESO's cartographic technicians and land law examiners to assure that salaries are competitive and experience requirements are reasonable.

As necessary to avoid repetition of the military lands and phosphate leasing cases, and to effectively deal with new areas of mineral interest, we recommend that the Secretary of the Interior consult with the Director of BLM and obtain BLM and State offices' input to evaluate the impact of policy changes that must be implemented at local levels.

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