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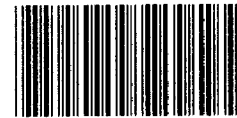


United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-253901

August 17, 1993



149790

The Honorable Robert Bennett
The Honorable Ben Nighthorse Campbell
The Honorable Larry E. Craig
The Honorable Dennis DeConcini
The Honorable Pete V. Domenici
The Honorable Orrin G. Hatch
The Honorable Harry M. Reid
The Honorable Alan K. Simpson
The Honorable Malcolm Wallop
United States Senate

In your joint letter of May 11, 1993, you asked us to address eight questions relating to the top 500 holders of livestock grazing permits for both the Department of the Interior's Bureau of Land Management (BLM) and the Department of Agriculture's Forest Service.¹ The eight questions cluster around three issues relating to livestock grazing on federal lands: (1) the extent to which large ranching operations are dependent on federal lands, (2) the dependency of local western economies on these ranching operations, and (3) the contributions these ranching operations make to wildlife and to improving the condition of the federal lands.

In a June 15, 1993, joint letter you asked us to provide information that was available on the names, addresses, and telephone numbers of the top 500 permit holders for both BLM and the Forest Service as well as the allowable level of livestock grazing associated with each permit. We

¹The level of grazing allowed under each permit is measured in animal unit months (AUM) at BLM and in animal months (AM) at the Forest Service. An AUM is defined as the amount of forage required to sustain one mature cow or equivalent, such as a horse or five sheep, for 1 month. An AM is defined as 1 month's use and occupancy of the range by one weaned or adult cow with or without calf; by a bull, steer, heifer, horse, burro, or mule; or by five sheep or goats. AUMs and AMs are similar measurements of livestock grazing levels.

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provided this information to you on June 25, 1993, and July 16, 1993.²

To respond to your May 11, 1993, request, we have, over the past few months, spoken with BLM and Forest Service headquarters and field office officials concerning relevant information in their data systems and files. We also contacted officials in Agriculture's Economic Research Service concerning relevant information on western ranching operations in Agriculture's 1990 survey of farm costs and returns and in an April 1992 updated report on grazing fees by BLM and the Forest Service.³ In addition, we met with the principal author of a recent survey at New Mexico State University, done in cooperation with the National Cattlemen's Association and others, that sought to determine the manner and extent of interaction between the western livestock industry and respective local, state, and regional economies in 1991. This survey included questions similar to many of those in your May 11, 1993, request.⁴

Over the past 3 months, we have provided several briefings for your staff and discussed (1) the time, limitations, and risks associated with the methodology that would be required to respond to the eight questions in your May 11, 1993, request and (2) the information that is already available to address the eight questions. This correspondence summarizes the information provided at these briefings and is designed to assist you in reaching a decision on the desirability of continuing to pursue the eight questions.

**TIME, LIMITATIONS, AND RISKS
ASSOCIATED WITH METHODOLOGY**

Because BLM and the Forest Service do not have the information needed to address the eight questions in your May 11, 1993, letter, we would need to use a questionnaire

²See Large Grazing Permits (GAO/RCED-93-190R, June 25, 1993) and Large Grazing Permits (GAO/RCED-93-190R (Suppl.), July 16, 1993).

³Grazing Fee Review and Evaluation Update of the 1986 Final Report, Department of Agriculture, Forest Service, and Department of the Interior, BLM, (Apr. 30, 1992).

⁴See "Characteristics of Western Livestock Industry" by J.M. Fowler, D. Rush, and J. Hawkes, dated May 17, 1993.

to collect the required information. Questionnaires take time to properly design, pretest, edit, administer, follow up, verify, analyze, and report. In addition, because we cannot ensure absolute confidentiality, respondents may be unwilling to provide us with certain information that they consider to be proprietary and there is a risk that we may not receive a high enough response rate to be confident that our survey results are representative of all those to whom the questionnaire was sent.

**Lengthy Time Needed to Complete
the Questionnaire Process**

We estimate that it would take between 18 months and 2 years to complete the questionnaire process and issue a report. A significant portion of this time would be needed to identify to whom the questionnaire should be sent; that is, which ranching operations comprise the population that holds the top 500 permits in each of the two agencies. Identifying this population would be difficult because some permittees hold more than one BLM or Forest Service permit, and some hold both BLM and Forest Service permits. These operators would appear more than once in the population. Conversely, a permit held by a grazing association may give many operators, including some who hold other BLM and/or Forest Service permits, the authority to graze livestock on federal lands. As a result, the population of operators associated with the top 500 permits in each agency may be smaller or larger than 500.

**Lack of Absolute Confidentiality
Could Limit Responsiveness**

Some of the questions in your request letter, such as taxes paid and persons employed, relate to ranch operator business practices, and may be considered by the ranch operators to be proprietary. With your agreement, we can pledge to the operators that (1) the information they provide will be discussed only in summary form and (2) the link between them and their responses will be destroyed. However, many congressional committees, as well as the federal courts, can compel disclosure of the information in GAO's workpapers and files by issuing a subpoena which could, in turn, limit the willingness of ranch operators to respond to our questionnaire.

Even though we would destroy the link between the operators and their responses, we believe that, because of the large size of the ranching operations, it is possible that the

information remaining in our workpapers and files which we would obtain from BLM and the Forest Service could be used to identify the operators. Thus, the possibility of disclosure by subpoena would be implicit in our request for information, and it is not possible to absolutely ensure the confidentiality of the individual respondents. We would make the operators aware of the potential circumstances under which we can be compelled to disclose the information that would remain in our workpapers and files before we request them to provide us with any information relating to their business practices.

A High Response Rate May Not be Possible

If the New Mexico State University survey provides any indication, we may not be able to ensure that we receive a high enough response rate to allow us to state with any level of confidence that our survey results are representative of the population of large ranching operations holding federal livestock grazing permits. We believe that we would need at least a 65 percent response rate. However, the authors of the survey reported that they received less than a 10 percent response. While we would follow up our initial mailing with subsequent mailings, postcard reminders, and telephone calls, we may not be able to obtain the necessary response rate.

SOME INFORMATION IS AVAILABLE TO ADDRESS
ISSUES RAISED IN YOUR MAY 11, 1993, REQUEST

Although it is not specific to the top 500 BLM and top 500 Forest Service permittees, some information is available to address the questions in your May 11, 1993, letter. For instance, it appears that the dependency of ranching operations on federal lands is well established. According to information in the April 1992 updated report on grazing fees by BLM and the Forest Service (1) about one third of the beef cattle in the 11 Western states graze at least part of the year on federal lands,⁵ (2) the extent to which ranching operations are dependent on federal lands varies drastically by state and region, (3) federal lands are generally of lower quality and thus not as productive as private and state lands, and (4) the operating size of many livestock operations is often affected by the amount of

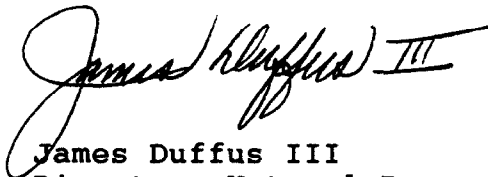
⁵The 11 states are Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

federal range available during seasons of feed shortage on privately owned lands.

Questions on the dependency of local western economies on large ranching operations as well as the contributions large ranching operations make to wildlife and to improving the condition of the federal lands are addressed in the New Mexico State University survey. While not representative of either the western livestock industry or the top 500 holders of livestock grazing permits for both BLM and the Forest Service, almost 4,600 operators responded to the survey. According to the principal author, the respondents appear to represent large ranching operations because the 10 percent who responded constituted 41 percent of the total allowable level of livestock grazing on federal lands in the West.

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We hope that this correspondence will be helpful to you in reaching a decision on the desirability of continuing to pursue the eight questions in your May 11, 1993, letter. If you have any questions about this information, please contact me at (202) 512-7756, Mr. Charles Cotton at (202) 512-5281, or Ms. Patricia Gleason at (202) 634-7356.



James Duffus III
Director, Natural Resources
Management Issues