

March 6, 2018

Honorable Steve Womack
Chairman
House Committee on the Budget

Honorable John Yarmuth
Ranking Member
House Committee on the Budget

Dear Chairman Womack and Ranking Member Yarmuth:

I write to provide testimony to the House Committee on the Budget regarding a much-needed change in the scorekeeping rules that control the Congressional Budget Office's ("CBO") cost estimates for legislation authorizing or mandating the sale, exchange, or transfer of federal lands. CBO cost estimates should provide Congress all relevant information regarding the budget consequences of enacting proposed legislation and the scoring rules for federal land transfers fail to do so.

Current CBO scoring rules consider proposed transfers of federal land to have no cost to the federal government, as long as the parcel is not expected to generate receipts over the next ten years. This scoring prevents CBO from providing accurate information to the American people regarding the inherent real estate or natural resource value of public land.

In failing to account for the value of land beyond what it generates in receipts, CBO is working under the assumption that land owned by the American tax-payers is worthless, except for its mining or timber or grazing value. As a result, legislation to give Grand Canyon National Park or Yellowstone to a private developer would only score as a loss of entry fee receipts.

I implore you to address this scoring failure.

The Office of Valuation Services within the Department of the Interior and the Forest Service conduct appraisals whenever there is a legislative proposal for a land conveyance, sale, or transfer. Appraisers determine the market value of the parcel and that information is provided to the CBO. CBO *may* take market value into consideration but, per their current scorekeeping rules, the estimates provided to Congress only calculate lost receipts. Expanding current rules to require consideration of the appraised market value of federal parcels will significantly increase the validity of CBO scores for public land sales.

This failure to value land beyond its ability to generate fee receipts must be considered with the fiscally-irresponsible change to the rules of the House of Representatives authored by House Natural Resources Chairman Rob Bishop of Utah at the beginning of this Congress. The rule states that transferring ownership of public lands belonging to all Americans "shall not be considered as providing new budget authority, decreasing revenues, increasing mandatory spending or increasing outlays." This rule change aligns with the House Republican's plan to give away America's public lands for free as it would allow Congress to ignore the minimal cost CBO does consider and pretend that the American taxpayer has lost nothing of value.

I appreciate the opportunity to testify on this important topic, and I hope we can work together to better value our public lands.

Sincerely,

Raúl M. Grijalva
Ranking Member
House Committee on Natural Resources