



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR



Inspection

The U.S. Department of the Interior Made Progress
in Implementing Recommendations Related to
Rights-of-Way Management



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SEP 03 2024

Memorandum

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Principal Deputy Assistant Secretary for Policy, Management and Budget

Laura Daniel-Davis
Acting Deputy Secretary of the Interior

From: Nicki Miller *Nicki Miller*
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Subject: Final Inspection Report – *The U.S. Department of the Interior Made Progress in Implementing Recommendations Related to Rights-of-Way Management*
Report No. 2023-CR-027

This memorandum transmits our inspection report on actions to address 17 recommendations from our 2012 audit report, *Management of Rights-of-Way in the U.S. Department of the Interior* (Report No. C-IN-MOA-0013-2010).

We will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions about this report, please contact me at aie_reports@doioig.gov.

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Results in Brief

Objective

A right-of-way (ROW) provides a grantee use of Federal or Indian lands for a specified period and purpose. The Bureau of Land Management (BLM), Bureau of Indian Affairs (BIA), National Park Service (NPS), Bureau of Reclamation (BOR), and U.S. Fish and Wildlife Service (FWS) manage the U.S. Department of the Interior's (DOI's) ROWs on public and Indian lands. Individuals and businesses may apply to obtain a ROW on public land for projects that are classified as linear (used for roads, oil or gas pipelines, or electrical transmission lines) or communications sites (used for equipment needed to provide television, radio, or wireless internet services). DOI's Appraisal and Valuation Services Office (AVSO) provides valuation services to include valuations of ROW interests, market studies, and real property appraisals for the five bureaus. From fiscal year (FY) 2019 through FY 2023, the five bureaus estimated they collected \$962 million from ROWs. In FY 2023 alone, the five bureaus collectively managed approximately 129,000 ROWs and collected an estimated \$227 million.

In our September 2012 audit report, *Management of Rights-of-Way in the U.S. Department of the Interior*,¹ we identified that rents were set below market value, rent discounts were not justified, and unauthorized uses of ROWs were not identified and corrected. We made 17 recommendations to help DOI's bureaus improve ROW management. In April 2017, we issued a verification review² of 13 closed recommendations from our 2012 report; we considered 11 recommendations closed and reopened 2 recommendations. For our current inspection, we verified the corrective actions DOI bureaus have taken to implement all 17 recommendations from our original report (the 11 that were closed and 6 that were open).

Findings

We found that although not all the recommendations have been implemented, AVSO and the bureaus addressed our findings by completing actions within their respective authorities. Specifically, DOI and its bureaus were unable to implement six recommendations absent a change in the applicable regulations. As a result, we now consider all 17 recommendations closed.

We reviewed DOI and bureau actions to address 11 recommendations that were categorized as closed prior to the initiation of this review and confirmed that the corrective actions taken by bureaus and AVSO adequately implemented 8 of those 11 recommendations. For example, in response to our recommendations related to developing policy, several bureaus issued policies specific to ROWs—AVSO issued a *Guide Note for Definition of Market Rent for Rights of Way* and *Training Requirements for Rights of Way Appraisal* and BIA issued the *Rights-of-Way on Indian Lands Handbook*. In response to our recommendation related to completing a ROW inventory and staffing, NPS created a Nationwide ROW permit inventory and established a ROW coordinator position in each region. Finally, in response to our recommendation related to conducting valuations, AVSO reported it completed 750 ROW valuations for the bureaus in FYs 2022 and 2023. While AVSO took action to implement the remaining three recommendations, some actions were outside the scope of its authority, and those recommendations were not implemented.³

¹ Report No. C-IN-MOA-0013-2010. Available at <https://www.doioig.gov/sites/default/files/2021-migration/C-IN-MOA-0013-2010Public.pdf>.

² Report No. 2017-CR-009. Available at <https://www.doioig.gov/sites/default/files/2021-migration/ManagementRightsofWayVerificationReviewPublic.pdf>.

³ "Implemented" means the supporting evidence shows that the bureau or office has taken the actions necessary to address the recommendation and has completed the recommended action. "Not implemented" means the bureau or office has not fully taken the necessary actions or has a plan for implementing the recommendation but has not completed its plan. "Closed" means that we are no longer tracking the recommendation for implementation.

We also verified the corrective actions the bureaus and AVSO took toward implementing the remaining six open recommendations. We found BLM updated its linear rent schedule through a 2016 rulemaking and has continued to update the linear rent schedule through two policies. We also found AVSO uses an appraisal software system with comparable ROW information, including BIA data. AVSO also sought changes to consider ROW prioritization and found the bureaus preferred prioritizing based on the order requests are received unless the bureaus otherwise advised. These corrective actions addressed Recommendations 2, 3, and 6, which we now consider implemented.

Furthermore, we found BLM is limited in the actions it can take to implement three of the open recommendations that would require a formal rule change to current regulations. Therefore, although due to its limited authority BLM was unable to implement Recommendations 8, 11, and 15, we consider them closed, and we are no longer tracking the recommendations for implementation. We will consider the need for future reviews of the communications site rental schedule as part of our oversight planning process.

Introduction

Objective

Our objective was to determine what actions responsible bureaus took to address the 17 recommendations we made in our 2012 audit report, *Management of Rights-of-Way in the U.S. Department of the Interior*.⁴ See Appendix 1 for our scope and methodology.

Background

A right-of-way (ROW) provides a grantee use of Federal or Indian lands for a specified period and purpose. The Bureau of Land Management (BLM), Bureau of Indian Affairs (BIA), National Park Service (NPS), Bureau of Reclamation (BOR), and U.S. Fish and Wildlife Service (FWS) manage the U.S. Department of the Interior's (DOI's) ROWs on public and Indian lands for purposes ranging from transmitting data and electricity to transporting petroleum and natural gas. These bureaus have varying levels of regulatory authority. Figure 1 lists the relevant regulations promulgated by each bureau.

Figure 1: Bureau ROW Regulations

Bureau	Applicable Regulation
BLM	43 C.F.R. Part 2800—Rights-of-Way Under the Federal Land Policy Management Act and 43 C.F.R. Part 2880—Rights-of-Way Under the Mineral Leasing Act Describes BLM's objective and how BLM grants ROWs to qualified individuals, businesses, or government entities, and directs and controls the use of ROWs on public lands.
BIA	25 C.F.R. Part 169—Rights-of-Way Over Indian Land Streamlines the procedures and conditions under which BIA will consider a request to approve ROWs across Tribal lands, individually owned Indian lands, and BIA lands.
NPS	36 C.F.R. Part 14—Rights-of-Way Describes how NPS will manage ROWs on all federally owned or controlled lands administered by NPS.
BOR	43 C.F.R. Part 429—Use of Bureau of Reclamation Land, Facilities, and Waterbodies Requires written authorization from BOR for activities involving any possession or occupancy of any portion of and the extraction or disturbance of any natural resources from BOR land, facilities, or waterbodies, including ROWs.
FWS	50 C.F.R. Part 29, Subpart B—Rights-of-Way General Regulations Prescribes the procedures for filing applications and the terms and conditions under which ROWs over and across the lands administered by FWS may be granted.

The Appraisal and Valuation Services Office (AVSO)⁵ provides valuation services to the five bureaus. Valuation services include valuations of ROW interests, market studies, and real property appraisals. Real property appraisals are required by law for most real property transactions, which include ROWs.

⁴ Report No. C-IN-MOA-0013-2010. Available at <https://www.doi.gov/sites/default/files/2021-migration/C-IN-MOA-0013-2010Public.pdf>.

⁵ In March 2018, DOI Secretarial Order No. 3363 announced consolidation of the Office of Appraisal Services and the Office of Valuation Services into AVSO.

Individuals and businesses may apply to obtain a ROW on public land for projects that are classified as linear or communications sites.⁶ A linear ROW requires adjacent lands and grants the right to travel or pass through a specific strip of land in a straight or linear manner. A communications site ROW involves nonadjacent parcels of land and grants the right to use a specific area of land for the purpose of installing, maintaining, and operating communications infrastructure. Rent schedules identified in several regulations⁷ outline how rents for both linear and communications site ROWs are set and calculated. Examples of linear and communications site ROWs include:

Linear ROWs

- Roadways
- Electric transmission lines
- Oil and gas pipelines
- Fiber-optic cables

Communications Site ROWs

- Cellular towers
- Television transmitters
- Radio transmitters
- Wireless broadband towers

DOI ROW Information

From FY 2019 through FY 2023, the five bureaus estimated they collected \$962 million from ROWs.⁸ In FY 2023 alone, the five bureaus collectively managed approximately 129,000 ROWs and collected an estimated \$227 million. See Figure 2 for the number of ROWs the bureaus managed from FY 2019 through FY 2023.

**Figure 2: Annual ROWs Managed by Bureau
FYs 2019-2023**

FY	No. of ROWs					Total
	BLM	BIA	NPS	BOR	FWS	
2019	114,445	970	48	365	15	115,843
2020	118,118	827	60	469	6	119,480
2021	121,191	2,505	48	461	17	124,222
2022	124,520	1,406	53	581	14	126,574
2023	128,131	669	22	541	14	129,377

Figure 3 shows the amount the bureaus collected in ROW fees from FY 2019 through FY 2023.

⁶ ROWs on public land are classified as either linear or site types. Site type ROWs include communications, dams, storage tanks, stockpile sites, and short-term construction areas. Our review covered only linear and communications site types.

⁷ 43 C.F.R. §§ 2806.21, 2806.22, 2806.23, 2885.19, 2885.20, 2885.23, 2866.30, and 2866.31.

⁸ At these five DOI bureaus, responsibility for managing Federal and Indian land is as follows (numbers approximate): BLM manages 245 million acres of Federal land, BIA manages 55 million acres of Indian land, NPS manages 85 million acres of Federal land, BOR manages 8 million acres of Federal land, and FWS manages 89 million acres of Federal land. Not surprisingly, BLM manages significantly more ROWs than the other bureaus.

**Figure 3: Annual ROW Fees Collected by Bureau
FYs 2019-2023**

FY	ROW Fees Collected					Total
	BLM	BIA	NPS	BOR	FWS	
2019	\$72,263,355	\$40,430,685	\$25,824,399	\$852,005	\$129,176	\$139,499,620
2020	\$116,761,765	\$146,144,832	\$23,325,808	\$952,892	\$139,856	\$287,325,152
2021	\$118,311,409	\$25,992,793	\$25,675,726	\$2,338,881	\$192,455	\$172,511,263
2022	\$106,728,909	\$24,385,912	\$3,028,931	\$1,000,256	\$84,017	\$135,228,024
2023	\$202,358,485	\$18,461,415	\$4,249,642	\$1,647,621	\$352,863	\$227,070,025
Total	\$616,423,922	\$255,415,636	\$82,104,505	\$6,791,655	\$898,367	\$961,634,085

Summary of Findings From Our Previous Report

In our September 2012 audit report,⁹ we reviewed DOI's management of ROWs to determine whether it was recovering market value for Federal land use. Specifically, we identified that rents were set below market value, rent discounts were not justified, and unauthorized uses of ROWs were not identified and corrected. DOI's *Appraisal Policy Manual* did not require consideration of market value, and bureaus did not typically consider market value when setting rents; as a result, the bureaus undervalued rents. Neither the Office of Valuation Services (OVS)¹⁰ nor the Office of Appraisal Services (OAS)¹¹ maintained market data needed to perform comparable valuations. OVS performed few individual valuations but did not base them upon market value to the grantee. The complexity of ROW valuations required specific guidance, training, or experience to complete market valuations, and we found that OVS and OAS personnel lacked training to conduct individual ROW valuations.

We also found linear ROW schedules did not account for the value and volume of authorized products,¹² and ROW rent schedules for communications sites were out of date and failed to consider the volume of service authorized. Additionally, we found bureaus did not reevaluate rents on ROWs for changes in market value. Added services on ROWs were unreported and therefore rents on those services were unpaid. At the time of our 2012 audit, BLM estimated it lost about \$7 million annually in rent on unreported added services. For example, grantees often did not report and pay rent on additional communications services not approved in the original ROW grant or on those added to the ROW by colocators.¹³

Furthermore, we found back rents were not collected consistently. Unpaid ROW rents went undetected for many years, and BLM ROW personnel did not have procedures for consistently calculating and collecting back rents. In addition, rent discounts on added services were not justified; BLM's policy was to charge the primary grantee the full rent of the highest value communications service onsite and then charge 25 percent of the originally scheduled rent for each additional service (i.e., applying a 75-percent discount for add-ons). Lastly, NPS did not have a comprehensive inventory of ROWs to identify uncollected revenues. BLM and NPS estimated their collective, annual, uncollected rent to be between \$94 million and \$132 million at the time.

⁹ Report No. C-IN-MOA-0013-2010. Available at <https://www.doi.gov/sites/default/files/2021-migration/C-IN-MOA-0013-2010Public.pdf>.

¹⁰ OVS was responsible for all BLM, BOR, NPS, and FWS real estate valuation functions (managing oversight and policy for DOI, to include sole responsibility for contracting for valuation services for DOI and its land management agencies).

¹¹ OAS conducted appraisals, appraisal reviews, and appraisal consulting of real property interests.

¹² Pipelines, electrical lines, or fiber-optic cables are examples of authorized products.

¹³ Colocators are parties that install additional services to the ROW for a fee paid to the original grantee.

We made 17 recommendations to the bureaus to help them collect fair market value for their ROWs. DOI generally concurred with all 17 recommendations in our 2012 audit report.

In April 2017, we completed a verification review of 13 recommendations DOI had reported as closed at that time and issued Report No. 2017-CR-009, *Verification Review – Recommendations for the Report, “Management of Rights-of-Way in the U.S. Department of the Interior,”* (Report No. C-IN-MOA-0013-2010).¹⁴ We confirmed that 11 of the 13 recommendations were closed, and we reopened 2 recommendations, resulting in 6 of the original recommendations remaining open after the verification review.

During our current inspection, we verified the corrective actions AVSO and DOI bureaus have taken to implement all 17 recommendations. Specifically, we reviewed recommendation closure documentation and criteria and interviewed AVSO officials and BLM, BIA, NPS, BOR, and FWS ROW officials. We also reviewed documentation the bureaus provided related to their efforts implementing the 17 recommendations.

¹⁴ Available at <https://www.doi.gov/sites/default/files/2021-migration/ManagementRightsofWayVerificationReviewPublic.pdf>.

Results of Inspection

We reviewed and analyzed the corrective actions taken by AVSO, BLM, BIA, NPS, BOR, and FWS to address the 17 recommendations in our 2012 audit report. We recognize that multiple factors and policies may have changed since we completed our original audit in 2012, and the bureaus addressed our findings by completing actions within their respective authorities. As such, we consider all recommendations closed.

We reviewed DOI and bureau actions to address 11 recommendations we previously determined were closed. Based on our review during this inspection, we confirmed that the bureaus and AVSO took corrective action, and these 11 recommendations remain closed. For example, BIA incorporated some of the recommendations considered applicable to Indian Affairs in a 2015 rule change, and some bureaus also issued policies specific to ROWs. AVSO issued a *Guide Note for Definition of Market Rent for Rights of Way and Training Requirements for Rights of Way Appraisal*; BIA issued the *Rights-of-Way on Indian Lands Handbook* and a National Policy Memorandum, *Streamlining the ROW Application Process for Telecommunications Projects*. Additionally, NPS created a Nationwide ROW permit inventory and established a ROW coordinator position in each region. Lastly, in contrast to our 2012 report where we found OVS performed few individual valuations, AVSO reported it completed 750 ROW valuations for the bureaus in FYs 2022 and 2023.

We also verified the corrective actions AVSO and the bureaus took toward implementing the remaining six open recommendations. We found BLM updated its linear rent schedule through a 2016 rulemaking and has continued to update the linear rent schedule through two policies. We also found AVSO uses an appraisal software system with comparable ROW information, including BIA data. AVSO sought changes to consider ROW prioritization and found the bureaus preferred prioritizing based on the order requests are received unless the bureaus otherwise advised. These corrective actions addressed Recommendations 2, 3, and 6, which we now consider closed.

Furthermore, we found BLM is limited in the actions it can take to implement Recommendations 8, 11, and 15, which would require a formal rule change to current regulations. Therefore, although BLM was unable to implement three recommendations due to its limited authority, we consider them closed, and we are no longer tracking the recommendations for implementation. See Appendix 2 for corrective action details. We will consider the need for future reviews of the communications site rental schedule as part of our oversight planning process.

Recommendations That Are Not Implemented and Will Be Closed

BLM has made efforts to revise its communications site rent schedule and discussed updating other regulations pertaining to communications site uses; however, BLM officials informed us that to implement Recommendations 8, 11, and 15, BLM would have to go through the formal rulemaking process.¹⁵ Below, we discuss the status of these three recommendations in more detail.

¹⁵ According to the Office of the Federal Register, *A Guide to the Rulemaking Process* (https://www.federalregister.gov/uploads/2011/01/the_rulemaking_process.pdf), agencies get their authority to issue regulations from laws enacted by Congress and must not take action that goes beyond their statutory authority or violates the Constitution. An agency surveys its area of legal responsibility, and then decides which issues or goals have priority for rulemaking. The proposed rule is the official document that announces and explains the agency's plan to address a problem or accomplish a goal. All proposed rules must be published as an "Advance Notice of Proposed Rulemaking" in the *Federal Register* to notify the public and give them an opportunity to submit comments. Before a proposed rule is published in the *Federal Register* for public comment, the President, as head of the executive branch, may take the opportunity to review the rule. The President is assisted by the Office of Information and Regulatory Affairs, which analyzes draft proposed rules for economic effects or important policy issues. The proposed rule and the public comments received form the basis of the final rule. In accordance with the Congressional Review Act, new final rules must be sent to Congress and the U.S. Government Accountability Office for review before they can take effect.

Recommendation 8: BLM should revise its communications site rent schedule and include provisions to periodically update the schedule to reflect current market value.

Status: As originally discussed in our 2012 report, BLM has continued to increase its communications site rent schedule in accordance with Federal regulations.¹⁶ The current schedule—developed in 1992 based on rental data collected and appraisals completed in the late 1980s and early 1990s—was implemented in 1996. The fees in the schedule have been indexed using the Consumer Price Index. This indexing has resulted in a 67-percent overall increase in communications use rent from 1996 to 2020. During our current inspection, a BLM official stated BLM must conduct a market study before it could implement Recommendation 8. A market study would provide market rent estimates for various communications uses located throughout the United States. The market study would be used to develop a new market-supported and updated schedule. We also learned that BLM attempted contracting for a market study and appraisal report in 2021 to support a rental fee schedule update for communications uses that would reflect market rent, emerging technology, and current trends that are consistent with the market and industry practice; however, the effort was abandoned due to funding limitations because the proposals received ranged from \$2.7 million to \$3.2 million. An AVSO official stated they worked with BLM to propose rulemaking and provide market data for comparison for communication rent schedules, but the AVSO official also noted that BLM would need to change its regulations through a formal rulemaking process because the communications site rent schedule and the procedures for updating it are fixed by regulation.¹⁷ Based on this limitation, we consider Recommendation 8 closed, and we are no longer tracking it for implementation.

Recommendation 11: BLM should reduce or eliminate the market value threshold required to adjust rents on ROW for communications sites.

Status: Also discussed in our 2012 report, it is BLM's policy to adjust rents only if a reevaluation found rents charged for communications sites were five times below market value. Federal regulations require BLM to "limit the annual adjustment based on the Consumer Price Index to no more than 5 percent."¹⁸ During this inspection, a BLM official told us that BLM would examine changing the 5-percent threshold as part of the market study discussed above. Based on this limitation, we consider Recommendation 11 closed, and we are no longer tracking it for implementation.

Recommendation 15: BLM should reduce or eliminate the 75 percent discount for additional grantee and colocator ROW site services, or justify any discount provided.

Status: Federal regulations require that BLM calculate rents for "[m]ultiple-use facilities, whose authorizations provide for subleasing, by setting the rent of the highest value use in the facility or facilities as the base rent . . . and adding to it 25 percent of the rent from the rent schedule for all tenant uses in the facility or facilities, if a tenant use is not used as the base rent."¹⁹ During this inspection, a BLM official told us that eliminating the discount would require rule changes because the discount is required by regulation. The BLM official stated BLM would reevaluate this practice and propose it as one of the items to be further examined in the market study, which would identify what industry charges additional grantees or colocators on ROWs. As discussed above, in addition to the market study, BLM would also need to pursue formal rulemaking to implement the recommendation. We consider Recommendation 15 closed, and we are no longer tracking it for implementation.

¹⁶ 43 C.F.R. § 2866.

¹⁷ *Id.* at § 2866.30.

¹⁸ *Id.*

¹⁹ *Id.* at § 2866.31.

Due to the three recommendations associated with communications sites requiring formal rulemaking, we consider Recommendations 8, 11 and 15 closed but not implemented.

In addition, Recommendations 10, 13, and 14 have not been implemented but were closed during our 2017 verification review. We will consider the need for future reviews of the communications site rental schedule as part of our oversight planning process.

Conclusion

We recognize that multiple factors and policies may have changed since we completed our original audit in 2012, and the bureaus addressed our findings by completing actions within their respective authorities. As such, we consider all 17 recommendations closed.

We confirmed DOI and the bureaus took corrective actions to address 11 recommendations we concluded remain closed. Specifically, BIA incorporated some of the recommendations in a 2015 rule change and BIA and AVSO issued policies specific to ROWs. In addition, NPS created a Nationwide ROW permit inventory and established a ROW coordinator position in each region. AVSO also reported it completed 750 ROW valuations for the bureaus in FYs 2022 and 2023.

Furthermore, AVSO and the bureaus took actions toward implementing the remaining six open recommendations. BLM updated its linear rent schedule through a 2016 rulemaking and two policies. AVSO uses an appraisal software system with comparable ROW information and sought changes to consider ROW prioritization. Finally, BLM is limited in the actions it can take to address three recommendations because BLM is unable to fund a market study that would support the update. Such an update would also require a formal rule change to current regulations of the communications site rental schedule. Therefore, although BLM was unable to fully implement the recommendations, we consider them closed, and we are no longer tracking the recommendations for implementation. We will consider the need for future reviews of the communications site rental schedule as part of our oversight planning process.

Appendix 1: Scope and Methodology

Scope

The scope of our inspection included the status of the 17 recommendations in our September 2012 audit report, *Management of Rights-of-Way in the U.S. Department of the Interior* (Report No. C-IN-MOA-0013-2010), and what actions the U.S. Department of the Interior's (DOI's) Appraisal and Valuation Services Office (AVSO), Bureau of Land Management (BLM), Bureau of Indian Affairs (BIA), National Park Service (NPS), Bureau of Reclamation (BOR), and U.S. Fish and Wildlife Service (FWS) took to address all 17 recommendations. We performed this inspection virtually and did not conduct site visits to assess the bureaus' ROW management activities.

Methodology

We conducted our inspection in accordance with the *Quality Standards for Inspection and Evaluation* as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions.

To accomplish our objective, we:

- Gathered and reviewed background information pertaining to the management of DOI's ROW program.
- Accessed and reviewed our previous audit file, including documentation supporting the findings and recommendations of Report No. C-IN-MOA-0013-2010.
- Reviewed and documented prior reports to include Report No. 2017-CR-009, *Verification Review - Recommendations for the Report, "Management of Rights-of-Way in the U.S. Department of the Interior,"* (Report No. C-IN-MOA-0013-2010), to analyze the corrective actions and documents the applicable bureaus provided for recommendation closure.
- Obtained and reviewed applicable laws, regulations, and bureau policies.
- Interviewed responsible ROW officials at AVSO, BLM, BIA, NPS, BOR, and FWS to discuss and identify the status of each recommendation and corrective actions the bureaus have taken to implement the previously issued recommendations.
- Obtained and reviewed documentation to determine the status and corrective actions the applicable bureaus (AVSO, BLM, BIA, NPS, BOR, and FWS) have taken to implement the previously issued recommendations.

Appendix 2: Corrective Actions Taken To Address Recommendations

We reviewed and analyzed the corrective actions the U.S. Department of the Interior's Appraisal and Valuation Services Office (AVSO), Bureau of Land Management (BLM), Bureau of Indian Affairs (BIA), National Park Service (NPS), Bureau of Reclamation (BOR), and U.S. Fish and Wildlife Service (FWS) have taken to address Recommendations 1, 4, 5, 7, 9, 10, 12, 13, 14, 16, and 17 in our 2012 audit report. Specifically, we interviewed AVSO and bureau staff and reviewed supporting documentation and confirmed that these recommendations have been implemented. Recommendations 10, 13, and 14 were considered not implemented but closed during our 2017 verification review. Additionally, we verified the bureaus took corrective actions to implement Recommendations 2, 3, and 6, which were open at the start of our current inspection. We also reviewed the bureaus' actions to implement Recommendations 8, 11, and 15. Because BLM would need to pursue formal rulemaking to implement the recommendations, we consider these recommendations closed and are no longer tracking them for implementation.

We summarized the corrective actions in the figure below. We consider all 17 recommendations closed and we are no longer tracking for implementation.

2012 Recommendation ²⁰	Corrective Action Taken	Current Status
1. Following "Uniform Appraisal Standards," Valuation Services should define market value of [rights-of-way (ROWs)] to include the value of the right or use granted.*	On February 24, 2014, the Office of Valuation Services (OVS) issued guidance ²¹ to ensure the definition of ROW market value is clear to all parties involved in the valuation of and negotiations for ROWs. BIA incorporated a definition in a 2015 rule change.	Implemented
2. Valuation Services should create and maintain a database of comparable ROW information.*	AVSO uses an appraisal software system with comparable ROW information, including BIA data.	Implemented
3. Valuation Services should establish criteria to prioritize ROW using market considerations including the value and volume of the service authorized.	AVSO sought changes to consider priority of ROW market considerations of value and volume; however, bureaus preferred priority based on the order requests are received unless the bureaus otherwise advised.	Implemented
4. Valuation Services should perform high-priority, individual valuations as allowed, given its resources.	AVSO performed individual valuations for all ROWs that bureaus requested and reported it completed 750 ROW case valuations in FYs 2022 and 2023.	Implemented
5. Valuation Services should develop and implement guidance and training requirements for staff to conduct individual ROW valuations.*	On February 13, 2015, OVS issued a memorandum, ²² which identified training requirements for positions that have ROW valuation as a significant part of their workload. The memorandum was distributed to BIA.	Implemented

²⁰ Recommendation designated with an asterisk (*) are applicable to Indian Affairs.

²¹ *Guide Note for Definition of Market Rent for Rights of Way.*

²² *Training Requirements for Rights of Way Appraisal.*

2012 Recommendation ²⁰	Corrective Action Taken	Current Status
6. BLM should revise its linear rent schedule and include provisions to periodically update the schedule to reflect current market value.	BLM updated the linear rent schedule in a 2016 rulemaking ²³ and has updated the schedule through two policies. ²⁴	Implemented
7. Valuation Services should work with BLM to implement linear rent schedules for departmentwide use with provisions to periodically update the schedules.*	An AVSO official stated BLM's linear rent schedule is used in conducting other bureaus' (including BIA's) ROW evaluations.	Implemented
8. BLM should revise its communications site rent schedule and include provisions to periodically update the schedule to reflect current market value.*	BLM attempted contracting for a market study and appraisal report in 2021 to support an update to the communications site rent schedule.	Not Implemented
	BIA is limited to BLM's progress in updating the communications site rent schedule.	
	BLM would need to change its regulations through a formal rulemaking process because the communications site rent schedule and the procedures for updating it are fixed by regulation.	
9. Valuation Services should work with BLM to implement communications rent schedules for departmentwide use with provisions to periodically update the schedules.*	Based on this limitation, we consider Recommendation 8 closed, and we are no longer tracking it for implementation.	Implemented
	An AVSO official stated they worked with BLM to propose rulemaking and provided market data for comparison to update the communications rent schedule.	
	BIA is limited to BLM's progress in updating the communications site rent schedule.	
10. Valuation Services should work with BLM to develop and implement procedures for departmentwide periodic reevaluations of ROW grants, with authority to update rental rates to reflect current market values.*	An AVSO official stated AVSO does not have the capacity to handle periodic reevaluations (including those for BIA) at the volume requested. Although AVSO took action to implement the recommendation, it is limited by other bureaus' authority. Due to this constraint, we considered the recommendation closed but not implemented in our 2017 verification review.	Not Implemented

²³ Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections, 81 Fed. Reg. 92122 (Dec. 19, 2016).

²⁴ Instruction Memoranda 2016-008, "Calendar Year 2016 – 2025 Linear Right-of-Way Rental Schedule," and 2021-005, "Calendar Years 2021 – 2025 Right-of-Way Rental Schedule Re-Assignment of County Zones."

2012 Recommendation ²⁰	Corrective Action Taken	Current Status
11. BLM should reduce or eliminate the market value threshold required to adjust rents on ROW for communications sites.	<p>A BLM official told us that BLM would examine changing the 5-percent limit threshold as part of the market study. Implementing this recommendation would require a rule change.</p> <p>Because BLM would need to pursue formal rulemaking to implement the recommendation, we consider this recommendation closed and are no longer tracking it for implementation.</p>	Not Implemented
12. The Department's Office of Budget should seek authority for BLM and other bureaus with ROW responsibilities to retain a percentage of the revenues recovered from reviews that identify unpaid rent from unreported services. Bureaus could use these additional revenues to fund additional reviews.*	<p>The Office of Budget included the proposal for BLM to retain a percentage of the revenues recovered in the Department's FY 2015, FY 2016, and FY 2017 Office of Management and Budget (OMB) budget requests; OMB did not approve the proposals. Each of the bureaus have some recourse to recover funds.</p> <p>BIA addressed unauthorized uses of ROW (through unlawful "piggybacking") in a 2015 rule change.</p>	Implemented
13. Valuation Services should work with bureaus with ROW responsibilities to implement penalties for grantees that do not report additional services and fail to pay rents.*	<p>OVS convened a working group of key bureau personnel to discuss each bureau's applicable regulations that pertain the types of penalties or pecuniary actions available to each bureau.</p> <p>BIA addressed penalties in a 2015 rule change.</p> <p>Although AVSO took action to implement the recommendation, its authority is limited. Due to this constraint, we considered the recommendation closed but not implemented in our 2017 verification review.</p>	Not Implemented
14. Valuation Services should work with the bureaus to develop and implement departmentwide procedures for calculating and collecting unpaid back rents.*	<p>OVS convened a working group of key bureau personnel to discuss each bureau's applicable regulations that pertain to back rents and pecuniary actions available to each bureau.</p> <p>BIA addressed actions to recover unpaid compensation in a 2015 rule change.</p> <p>Although AVSO took action to implement the recommendation, they are limited by other bureaus' authority. Due to this constraint, we considered the recommendation closed but not implemented in our 2017 verification review.</p>	Not Implemented

2012 Recommendation ²⁰	Corrective Action Taken	Current Status
15. BLM should reduce or eliminate the 75 percent discount for additional grantee and colocator ROW site services, or justify any discount provided.	<p>A BLM official stated BLM would reevaluate this practice and propose it as one of the items to be further examined in the market study, which would identify what industry charges for additional grantees or colocators on ROWs. Implementing this recommendation would require a rule change.</p> <p>Because BLM would need to pursue formal rulemaking to implement the recommendation, we consider this recommendation closed and are no longer tracking it for implementation.</p>	Not Implemented
16. NPS should continue to implement a ROW management program that includes completing an inventory of its ROW and assigning qualified realty staff.	In July 2013, NPS created a Nationwide ROW permit inventory in addition to establishing a ROW coordinator position in each region.	Implemented
17. Appraisal Services should consult with the Office of the Solicitor to determine which recommendations in this report are applicable to Indian Affairs.*	In 2014, the Office of Appraisal Services completed an analysis and Office of the Solicitor reviewed and concurred with OAS' designation that Recommendations 1, 2, 5, 7, 8, 9, 10, 12, 13, 14, and 17 applied to Indian Affairs.	Implemented



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