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2d Session }

SENATE

{ REPORT
107-271

FALLON RAIL FREIGHT LOADING FACILITY TRANSFER ACT

SEPTEMBER 11, 2002.—Ordered to be printed

Mr. BINGAMAN, from the Committee on Energy and Natural Resources, submitted the following

R E P O R T

[To accompany H.R. 1870]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Natural Resources, to which was referred the Act (H.R. 1870) to provide for the sale of certain real property within the Newlands Project in Nevada, to the city of Fallon, Nevada, having considered the same, reports favorably thereon without amendment and recommends that the Act do pass.

PURPOSE OF THE MEASURE

The purpose of H.R. 1870 is to direct the Secretary of the Interior to convey approximately 6.3 acres of real property (known as “380 North Taylor Street, Fallon, Nevada”) within the Newlands Reclamation Project, Nevada, to the City of Fallon for its fair market value, without taking into consideration the value of any structures or improvements.

BACKGROUND AND NEED

Fallon is a rural agricultural community of 8700 residents located in northern Nevada approximately 70 miles east of Reno. Since 1984, the City has leased from the U.S. Bureau of Reclamation approximately 6.3 acres of property that it uses as a rail freight yard and loading facility. The City, the State of Nevada, the U.S. Department of Transportation, and the Southern Pacific Railroad have collectively made significant investments in this facility. On January 1, 2000, the long-term lease agreement between the City of Fallon and the Bureau of Reclamation expired. The City and the Bureau of Reclamation have determined that allowing the City to acquire the property rather than continuing to lease it

would be in their mutual interest. This legislation is necessary in order to allow for the acquisition of the property by the City of Fallon.

LEGISLATIVE HISTORY

H.R. 1870 was introduced by Representative Gibbons on May 16, 2001. H.R. 1870 passed the House of Representatives by voice vote on March 6, 2002. A companion measure, S. 1310, was introduced by Senator Reid and Senator Ensign on August 2, 2001. The Subcommittee on Water and Power held a hearing on S. 1310 and H.R. 1870 on June 6, 2002. At the business meeting on July 31, 2002, the Committee on Energy and Natural Resources ordered H.R. 1870 favorably reported.

COMMITTEE RECOMMENDATIONS

The Committee on Energy and Natural Resources, in open business session on July 31, 2002, by a voice vote of a quorum present, recommends that the Senate pass H.R. 1870, as described herein.

SECTION-BY-SECTION ANALYSIS

Section 1 contains the short title.

Section 2(a) directs the Secretary of the Interior to convey to the city of Fallon, Nevada, all right, title, and interest of the United States in and to approximately 6.3 acres of real property (known as "380 North Taylor Street, Fallon, Nevada") in the Newlands Reclamation Project, Nevada, as identified on the referenced map.

Subsection (b) requires, as consideration for the conveyance, that the city of Fallon, Nevada, pay to the United States an amount equal to the fair market value of the real property, as determined by an appraisal as specified by the subsection, without taking into consideration the value of any structures or improvements on the property. The amount paid to the United States will be credited to the appropriate fund in the Treasury relating to the Newlands Reclamation Project, Nevada.

Subsection (c) states that the conveyance will not occur unless the Commissioner of Reclamation certifies that all liability issues relating to the property, including issues of environmental liability, have been resolved.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of the cost of this measure has been provided by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 6, 2002.

Hon. JEFF BINGAMAN,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1870, the Fallon Rail Freight Loading Facility Transfer Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Julie Middleton (for federal costs) and Marjorie Miller (for the state and local impact).
Sincerely,

BARRY. B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 1870—Fallon Rail Freight Loading Facility Transfer Act

H.R. 1870 would direct the Secretary of the Interior to convey 6.3 acres of real property in the Newlands Reclamation Project to the city of Fallon, Nevada. As a condition of the conveyance, all liability issues, including environmental liability, would need to be resolved. In addition, the city would have to pay the fair market value of the property, minus the value of existing structural improvements. The proceeds of the sale would be credited to the Newlands Reclamation Project fund and would be available for future construction costs, subject to appropriation action.

CBO estimates that enacting H.R. 1870 would have no significant effect on the federal budget. Based on information from the Bureau of Reclamation and the city of Fallon, CBO estimates that the federal government would receive about \$330,000 from the sale of the lands. This amount represents a 1995 appraisal of the property, adjusted for inflation. According to the Bureau, the transfer of title to the property would take place by the end of fiscal year 2003. Currently, the Bureau receives income of \$15,000 to \$18,000 a year from the Premier Chemical Company for the use of a loading facility located on the property. Because enacting H.R. 1870 would affect offsetting receipts (a form of direct spending), pay-as-you-go procedures would apply, but CBO estimates that the impact on direct spending would be negligible.

H.R. 1870 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. The conveyance authorized by this act would be voluntary on the part of the city of Fallon, as would any associated costs.

On March 5, 2002, CBO prepared a cost estimate for H.R. 1870 as ordered reported by the House Committee on Resources on February 27, 2001. The two versions of this legislation are identical, and our cost estimates are the same.

The CBO staff contacts for this estimate are Julie Middleton (for federal costs) and Majorie Miller (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out H.R. 1870. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of H.R. 1870.

EXECUTIVE COMMUNICATIONS

The pertinent legislative report received by the Committee from the Department of the Interior setting forth Executive agency recommendation relating to H.R. 1870 are set forth below:

STATEMENT OF MARK A. LIMBAUGH, DIRECTOR OF EXTERNAL AND INTERGOVERNMENTAL AFFAIRS, BUREAU OF RECLAMATION, U.S. DEPARTMENT OF THE INTERIOR

I am Mark A. Limbaugh, Director of External and Intergovernmental Affairs for the Bureau of Reclamation (Reclamation). I am pleased to present the views of the Department of the Interior on S. 1310 and H.R. 1870, concerning the Fallon Rail Freight Loading Facility Transfer. H.R. 1870, as passed by the House and referred in the Senate, is nearly identical to S. 1310. Both bills provide for the sale of about 6.3 acres of real property within the Newlands Project, Nevada (acquired in 1920 by the United States government), to the city of Fallon, Nevada. The Department supports the proposed conveyance, and would support S. 1310 with the amendment suggested below. The Department supports H.R. 1870, as passed by the House and referred in the Senate.

The House Resources Subcommittee on Water and Power held a hearing on H.R. 1870, as introduced, on December 10, 2001 (a copy of our statement is attached for the record). The Department did not support the bill as introduced, and recommended specific amendments to provisions on credit of sale proceeds, appraisal, and liability. Subsequently, the House subcommittee adopted these amendments. An important provision in H.R. 1870, suggested by the Department, requires the city of Fallon to pay for the appraisal of the property.¹ We encourage the Committee to amend S. 1310 to adopt this language, which appears in Sec. (b)(1)(A) of H.R. 1870, as passed by the House of March 2, 2002, and referred to the Senate.

This concludes my statement. I would be glad to answer any questions.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill H.R. 1870, as ordered reported.



¹Sec. (b)(1)(A) of H.R. 1870(RFS), concerning the appraisal of the property, adds the phrase "and paid for by the city of Fallon, Nevada".