

113TH CONGRESS  
2D SESSION

# S. 2938

To provide to the Secretary of the Interior a mechanism to cancel contracts for the sale of materials CA–20139 and CA–22901, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 18, 2014

Mrs. BOXER (for herself and Mrs. FEINSTEIN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To provide to the Secretary of the Interior a mechanism to cancel contracts for the sale of materials CA–20139 and CA–22901, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Soledad Canyon Settle-  
5       ment Act”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act:

1           (1) CITY OF SANTA CLARITA.—The term “City  
2 of Santa Clarita” means the City of Santa Clarita,  
3 California.

4           (2) CITY OF VICTORVILLE.—The term “City of  
5 Victorville” means the City of Victorville, California.

6           (3) CONTRACTS.—The term “contracts” means  
7 the Bureau of Land Management mineral contracts  
8 numbered CA–20139 and CA–22901.

9           (4) CONTRACT HOLDER.—The term “contract  
10 holder” means the private party to the contracts,  
11 and any successors that hold legal interests in the  
12 contracts.

13           (5) COUNTY OF SAN BERNARDINO.—The term  
14 “County of San Bernardino” means the County of  
15 San Bernardino, California.

16           (6) MAP.—The term “Map” means the map en-  
17 titled “Victorville disposal area, California” and  
18 dated March 2011.

19           (7) SECRETARY.—The term “Secretary” means  
20 the Secretary of the Interior.

21           (8) VICTORVILLE DISPOSAL AREA.—The term  
22 “Victorville disposal area” means the 10,206.05  
23 acres of land identified for disposal in the West Mo-  
24 jave Land Management Plan (2006) of the Bureau  
25 of Land Management and depicted on the Map.

1 **SEC. 3. APPRAISAL; COMPENSATION TO CONTRACT HOLD-**  
2 **ER.**

3 (a) APPRAISALS.—

4 (1) CONTRACT APPRAISAL.—

5 (A) IN GENERAL.—Not later than 90 days  
6 after the date of enactment of this Act, the Sec-  
7 retary shall determine by mineral appraisal,  
8 using the discounted cash flow method of ap-  
9 praisal (in accordance with the appraisal guide-  
10 lines for appraisals of large quantities of min-  
11 eral materials contained in section IV(E) of  
12 BLM Mineral Material Appraisal Handbook H-  
13 3630)—

14 (i) the fair market value of the con-  
15 tracts; and

16 (ii) the amount of royalties the Fed-  
17 eral Government would receive under the  
18 contracts over the 10-year period begin-  
19 ning on the date of enactment of this Act.

20 (B) CONSIDERATIONS.—In making the de-  
21 termination under subparagraph (A), the Sec-  
22 retary shall assume that—

23 (i) the contract holder has obtained  
24 all the permits and entitlements necessary  
25 to mine, produce, and sell sand and gravel  
26 under the contract; and

1 (ii) mining operations under the con-  
2 tract have commenced at the time of the  
3 determination, with maximum annual pro-  
4 duction volumes that—

5 (I) are based on the projected  
6 supply and demand outlook at the  
7 time of determination; and

8 (II) reflect depletion of the re-  
9 serves that are subject to the contract  
10 within the effective periods of the con-  
11 tract.

12 (C) DONATION.—The Secretary shall pro-  
13 vide to the contract holder and the City of  
14 Santa Clarita a list of approved appraisers from  
15 which the parties shall select and provide the  
16 funding to cover the costs of the appraisal  
17 under subparagraph (A).

18 (2) LAND APPRAISAL.—

19 (A) IN GENERAL.—Not later than 90 days  
20 after the date of enactment of this Act, the Sec-  
21 retary shall determine by appraisal standards  
22 under existing laws and regulations, the fair  
23 market value of the Victorville disposal area on  
24 a net present value basis.

1           (B) DONATION.—The Secretary shall pro-  
2           vide to the contract holder and the City of  
3           Santa Clarita a list of approved appraisers from  
4           which the parties shall select and provide the  
5           funding to cover the costs of the appraisal  
6           under subparagraph (A).

7           (b) COMPENSATION.—

8           (1) IN GENERAL.—Subject to paragraph (2),  
9           not later than 30 days after completion of the ap-  
10          praisals under subsection (a), the Secretary shall  
11          offer the contract holder compensation for the can-  
12          cellation of the contracts.

13          (2) CONDITIONS ON OFFER.—An offer made by  
14          the Secretary under paragraph (1) shall be subject  
15          to the following conditions:

16                (A) The cancellation of the contracts and  
17                the provision of compensation shall be contin-  
18                gent on the availability of funds from the sale  
19                of the Victorville disposal area under section 4,  
20                and any additional compensation provided  
21                under subparagraph (D), as determined nec-  
22                essary by the Secretary.

23                (B) The amount of compensation offered  
24                by the Secretary under this subsection shall be  
25                equal to or less than the fair market value of

1 the contracts, as determined under subsection  
2 (a)(1)(A)(i).

3 (C) The amount of compensation offered  
4 by the Secretary under this subsection shall be  
5 equal to or less than the projected revenues  
6 generated by the sale of the Victorville disposal  
7 area under section 4, less the projected lost roy-  
8 alties to the Federal Government over the 10-  
9 year period beginning on the date of enactment  
10 of this Act, as determined under subsection  
11 (a)(1)(A)(ii).

12 (D) If the amount of projected revenues  
13 described in subparagraph (C) is less than the  
14 fair market value determined under subsection  
15 (a)(1)(A)(i), the Secretary shall, not later than  
16 60 days after the date on which the Director of  
17 the Bureau of Land Management determines  
18 the projected revenues under subparagraph (C),  
19 negotiate an agreement with the contract holder  
20 and the City of Santa Clarita to provide to the  
21 Secretary amounts equal to the difference, in  
22 the form of—

23 (i) compensation to be received by the  
24 contract holder; and

1 (ii) compensation in a form acceptable  
2 to the Secretary to be provided by the City  
3 of Santa Clarita.

4 (3) ACCEPTANCE OF OFFER.—

5 (A) IN GENERAL.—The contract holder  
6 shall have 60 days from the later of the date on  
7 which the Secretary makes the offer under  
8 paragraph (1) or an agreement is negotiated  
9 under paragraph (2)(D) to accept the offer or  
10 agreement.

11 (B) FAILURE TO ACCEPT OFFER.—If the  
12 contract holder does not accept the offer under  
13 paragraph (1) or if an agreement is not nego-  
14 tiated under paragraph (2)(D) within the time  
15 period described in subparagraph (A), the con-  
16 tracts shall remain in effect and no further ac-  
17 tions shall taken be taken pursuant to this Act.

18 **SEC. 4. SALE OF LAND NEAR VICTORVILLE, CALIFORNIA.**

19 (a) IN GENERAL.—Notwithstanding sections 202 and  
20 203 of the Federal Land Policy and Management Act of  
21 1976 (43 U.S.C. 1712, 1713) and subject to subsections  
22 (b) through (f), not later than 2 years after the date of  
23 enactment of this Act, the Secretary shall place on the  
24 market and offer for sale by competitive bidding and in  
25 a manner designed to obtain the highest price possible,

1 all right, title, and interest of the United States in and  
2 to the Victorville disposal area.

3 (b) AVAILABILITY OF MAP.—The Secretary shall  
4 keep the Map on file and available for public inspection  
5 in—

6 (1) the office of the Director of the Bureau of  
7 Land Management; and

8 (2) the district office of the Bureau of Land  
9 Management located in Barstow, California.

10 (c) RIGHT OF LOCAL LAND USE AUTHORITY TO  
11 PURCHASE CERTAIN LAND.—

12 (1) IN GENERAL.—Before a sale of land under  
13 subsection (a), the Secretary shall provide to the ap-  
14 plicable local land use authority an exclusive pre-  
15 emptive right, as determined under State law, to  
16 purchase any right, title, or interest of the United  
17 States in and to any portion of the parcels of land  
18 identified as “Area A” and “Area B” on the Map  
19 that is located within the jurisdiction of the local  
20 land use authority.

21 (2) TIMING.—A preemptive right under para-  
22 graph (1) shall be in effect for a period of 30 days  
23 before the land is sold under subsection (a).

24 (3) AUTHORITY.—During the period described  
25 in paragraph (2), the local land use authority may



1 purchase some or all of the right, title, and interest  
2 of the United States, as provided in subsection (a),  
3 in and to the land to be offered for sale at fair mar-  
4 ket value, as determined by an appraisal conducted  
5 by the Secretary.

6 (4) EXERCISING RIGHT.—If the local land use  
7 authority exercises the preemptive right under para-  
8 graph (1), the Secretary shall convey the land to the  
9 local land use authority immediately on payment by  
10 the local land use authority of the entire purchase  
11 price of the applicable parcel of land.

12 (5) FAILURE TO PAY.—Failure by the local  
13 land use authority to purchase and pay for the right,  
14 title, and interest of the United States in and to the  
15 land described in paragraph (1) within the time pe-  
16 riod described in paragraph (2) and to comply with  
17 any other terms and conditions as the Secretary may  
18 require shall terminate the preemptive right of the  
19 local land use authority with respect to the right,  
20 title, and interest offered for sale.

21 (d) WITHDRAWAL AND RESERVATION.—

22 (1) WITHDRAWAL.—Subject to valid existing  
23 rights, the land described in subsection (a) is with-  
24 drawn from—

1 (A) entry, appropriation, or disposal under  
2 the public land laws;

3 (B) location, entry, and patent under the  
4 mining laws; and

5 (C) operation of the mineral leasing, min-  
6 eral materials, and geothermal leasing laws.

7 (2) RESERVATION.—In any sale or other dis-  
8 posal of land under this section, there shall be re-  
9 served by the United States the right of the United  
10 States to prospect for, mine, and remove minerals  
11 from the conveyed land.

12 (e) CONSULTATION.—In addition to any consultation  
13 otherwise required by law, before initiating efforts to dis-  
14 pose of land under this section, the Secretary shall consult  
15 with the City of Victorville, the County of San Bernardino,  
16 and surface owners in the jurisdiction in which the land  
17 is located regarding the potential impact of the disposal  
18 and other appropriate aspects of the disposal.

19 (f) ACCOUNT.—The gross proceeds of a sale of land  
20 under subsection (a) shall be deposited in an account ac-  
21 ceptable to the Secretary and available only for the pur-  
22 poses of carrying out this Act.

23 **SEC. 5. CANCELLATION OF CONTRACTS.**

24 (a) IN GENERAL.—On completion of the compensa-  
25 tion to the contract holder for the value of each contract

1 in accordance with subsection (b), the Secretary shall can-  
2 cel the contracts and withdraw those areas that were sub-  
3 ject to the contracts from further mineral entry under all  
4 mineral leasing and sales authorities available to the Sec-  
5 retary.

6 (b) COMPENSATION; CANCELLATION; RETENTION OF  
7 FUNDS.—

8 (1) IN GENERAL.—Subject to paragraph (3),  
9 the Secretary shall provide to the contract holder the  
10 compensation agreed to under section 3(b) by dis-  
11 bursement of amounts from the account, in 4 equal  
12 payments, as funds are available;

13 (2) CANCELLATION.—

14 (A) CONTRACT CA–20139.—On completion  
15 of the first 2 payments to the contract holder  
16 under paragraph (1), the Secretary shall cancel  
17 contract CA–20139.

18 (B) CONTRACT CA–22901.—On completion  
19 of the remaining 2 payments to the contract  
20 holder under paragraph (1), the Secretary shall  
21 cancel contract CA–22901.

22 (3) RETENTION OF FUNDS.—The Secretary  
23 shall retain sufficient funds to cover the projected  
24 lost royalties determined under section  
25 3(a)(1)(A)(ii).

1       (c) RELEASE AND WAIVER.—Upon acceptance and  
2 receipt of compensation under subsection (b), the contract  
3 holder shall waive all claims against the United States  
4 arising out of, or relating to, the cancellation of the con-  
5 tracts.

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