

113TH CONGRESS  
1ST SESSION

# S. 771

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

APRIL 18, 2013

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 10,224.32  
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) **CONTRACT SUSPENSION.**—The Secretary shall  
4 suspend the contracts until the completion of the processes  
5 described in subsections (b) and (c), effective on the date  
6 of enactment of this Act.

7 (b) **APPRAISALS.**—

8 (1) **CONTRACT APPRAISAL.**—

9 (A) **IN GENERAL.**—Not later than 90 days  
10 after the date of enactment of this Act, the Sec-  
11 retary shall determine by mineral appraisal,  
12 using the discounted cash flow method of ap-  
13 praisal (in accordance with the appraisal guide-  
14 lines for appraisals of large quantities of min-  
15 eral materials contained in section IV(E) of  
16 BLM Mineral Material Appraisal Handbook H-  
17 3630)—

18 (i) the fair market value of the con-  
19 tracts; and

20 (ii) the amount of royalties the Fed-  
21 eral Government would receive under the  
22 contracts over the 10-year period begin-  
23 ning on the date of enactment of this Act.

24 (B) **CONSIDERATIONS.**—In making the de-  
25 termination under subparagraph (A), the Sec-  
26 retary shall assume that—

1 (i) the contract holder has obtained  
2 all the permits and entitlements necessary  
3 to mine, produce, and sell sand and gravel  
4 under the contract; and

5 (ii) mining operations under the con-  
6 tract have commenced at the time of the  
7 determination, with maximum annual pro-  
8 duction volumes that—

9 (I) are based on the projected  
10 supply and demand outlook at the  
11 time of determination; and

12 (II) reflect depletion of the re-  
13 serves that are subject to the contract  
14 within the effective periods of the con-  
15 tract.

16 (C) DONATION.—The Secretary may ac-  
17 cept a donation of non-Federal funds to cover  
18 the costs of the appraisal under subparagraph  
19 (A).

20 (2) LAND APPRAISAL.—

21 (A) IN GENERAL.—Not later than 90 days  
22 after the date of enactment of this Act, the Sec-  
23 retary shall determine by appraisal standards  
24 under existing laws and regulations, the fair

1 market value of the Victorville disposal area on  
2 a net present value basis.

3 (B) DONATION.—The Secretary may ac-  
4 cept a donation of non-Federal funds to cover  
5 the costs of the appraisal under subparagraph  
6 (A).

7 (c) COMPENSATION.—

8 (1) IN GENERAL.—Subject to paragraph (2),  
9 not later than 30 days after completion of the ap-  
10 praisals under subsection (b), 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 (b)(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 (b)(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 (b)(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) CLAIM.—If the contract holder does  
12 not accept the offer or agreement under sub-  
13 paragraph (A), the Secretary shall cancel the  
14 contracts under paragraph (4) and direct that  
15 the contract holder file a claim relating to the  
16 issue of compensation in the United States  
17 Court of Federal Claims.

18 (4) CANCELLATION.—If no agreement can be  
19 reached within the timeframe specified in paragraph  
20 2(D), the Secretary shall—

21 (A) cancel the contracts;

22 (B) withdraw those areas that were subject  
23 to the contracts from further mineral entry  
24 under all mineral leasing and sales authorities  
25 available to the Secretary; and

1 (C) direct that the contract holder file a  
2 claim in the United States Court of Federal  
3 Claims for relief.

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

5 (a) IN GENERAL.—Notwithstanding sections 202 and  
6 203 of the Federal Land Policy and Management Act of  
7 1976 (43 U.S.C. 1712, 1713) and subject to subsections  
8 (b) through (f), the Secretary shall offer for sale by com-  
9 petitive bidding and in a manner designed to obtain the  
10 highest price possible, all right, title, and interest of the  
11 United States in and to the Victorville disposal area.

12 (b) COMPLETION DATE.—The Secretary shall com-  
13 plete the sale under subsection (a) by not later than 2  
14 years after the date of enactment of this Act.

15 (c) AVAILABILITY OF MAP.—The Secretary shall  
16 keep the Map on file and available for public inspection  
17 in—

18 (1) the office of the Director of the Bureau of  
19 Land Management; and

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

22 (d) RIGHT OF LOCAL LAND USE AUTHORITY TO  
23 PURCHASE CERTAIN LAND.—

24 (1) IN GENERAL.—Before a sale of land under  
25 subsection (a), the Secretary shall provide to the ap-

1        plicable local land use authority an exclusive pre-  
2        emptive right, as determined under State law, to  
3        purchase any right, title, or interest of the United  
4        States in and to any portion of the parcels of land  
5        identified as “Area A” and “Area B” on the Map  
6        that is located within the jurisdiction of the local  
7        land use authority.

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

11           (3) AUTHORITY.—During the period described  
12       in paragraph (2), the local land use authority may  
13       purchase some or all of the right, title, and interest  
14       of the United States, as provided in subsection (a),  
15       in and to the land to be offered for sale at fair mar-  
16       ket value, as determined by an appraisal conducted  
17       by the Secretary.

18           (4) EXERCISING RIGHT.—If the local land use  
19       authority exercises the preemptive right under para-  
20       graph (1), the Secretary shall convey the land to the  
21       local land use authority immediately on payment by  
22       the local land use authority of the entire purchase  
23       price of the applicable parcel of land.

24           (5) FAILURE TO PAY.—Failure by the local  
25       land use authority to purchase and pay for the right,

1 title, and interest of the United States in and to the  
2 land described in paragraph (1) within the time pe-  
3 riod described in paragraph (2) and to comply with  
4 any other terms and conditions as the Secretary may  
5 require shall terminate the preemptive right of the  
6 local land use authority with respect to the right,  
7 title, and interest offered for sale.

8 (e) WITHDRAWAL AND RESERVATION.—

9 (1) WITHDRAWAL.—Subject to valid existing  
10 rights, the land described in subsection (a) is with-  
11 drawn from—

12 (A) entry, appropriation, or disposal under  
13 the public land laws;

14 (B) location, entry, and patent under the  
15 mining laws; and

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

18 (2) RESERVATION.—In any sale or other dis-  
19 posal of land under this section, there shall be re-  
20 served by the United States the right of the United  
21 States to prospect for, mine, and remove minerals  
22 from the conveyed land.

23 (f) CONSULTATION.—In addition to any consultation  
24 otherwise required by law, before initiating efforts to dis-  
25 pose of land under this section, the Secretary shall consult

1 with the City of Victorville, the County of San Bernardino,  
2 and surface owners in the jurisdiction in which the land  
3 is located regarding the potential impact of the disposal  
4 and other appropriate aspects of the disposal.

5 (g) ACCOUNT.—The gross proceeds of a sale of land  
6 under subsection (a) shall be deposited in an account ac-  
7 ceptable to the Secretary and available only for the pur-  
8 poses of carrying out this Act.

9 **SEC. 5. CANCELLATION OF CONTRACTS.**

10 (a) IN GENERAL.—As soon as practicable after the  
11 funds received from the sale under section 4 are available  
12 and not later than 2 years after the date of enactment  
13 of this Act, the Secretary shall cancel the contracts and  
14 withdraw those areas that were subject to the contracts  
15 from further mineral entry under all mineral leasing and  
16 sales authorities available to the Secretary.

17 (b) COMPENSATION; RETENTION OF FUNDS.—On  
18 cancellation of the contracts under subsection (a), the Sec-  
19 retary shall—

20 (1) provide the compensation agreed to under  
21 section 3 to the contract holder by disbursement of  
22 amounts from the account; and

1           (2) retain sufficient funds to cover the projected  
2       lost   royalties   determined   under   section  
3       3(b)(1)(A)(ii).

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