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United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Oregon State Office
P.O. Box 2965
Portland, Oregon 97208

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IN REPLY REFER TO:
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AUG 29 2005

Honorable Ted Kulongoski
Governor of Oregon
245 State Capitol
Salem, Oregon 97310

Dear Governor Kulongoski:

Thank you for your recent review of the Bureau of Land Management (BLM) *Proposed Upper Deschutes Resource Management Plan and Final Environmental Impact Statement* (PRMP/FEIS). We appreciate your statement that all State agencies are generally pleased with the plan, and your recognition of the outstanding working relationship between Prineville BLM staff and State agencies in this planning process. Your letter identified a concern that the plan does not adequately address recent requests by the Oregon Department of State Lands (DSL) for indemnity selections (in lieu lands) owed to the State dating back to the Oregon Admission Act (i.e., State application received on November 29, 2004, amended March 21, 2005, and confirmed and clarified on July 8, 2005).

I met personally with Ann Hanus to share the BLM's commitment to settle this obligation as quickly and efficiently as possible. To that end, the BLM will continue to work with DSL under the terms of the 1995 Memorandum of Understanding to process the current application.

After reviewing your letter and considering the processes required to ultimately implement the transfer of lands, I have determined that the portion of your application requiring modification of land tenure classifications in the PRMP would best be accomplished through a separate and more focused plan amendment.

The PRMP represents more than 5,400 hours of contributed community involvement from Tribal, State and local governments; local, regional and national interest groups; and local citizens. Many hours of mediation and negotiation resulted in the decisions presented there, which also incorporate the recommendations of the Deschutes Provincial Advisory Committee. There is a strong community commitment to seeing these agreements, including land classifications, represented in the final Record of Decision (ROD). I am sure you are aware of the controversy that this reclassification discussion has already generated. At this juncture, we need to continue to work with your staff to cooperatively explore all alternatives before proceeding on the more contentious parcels.

The State of Oregon's current request for a selection "pool" would require reclassification of about 3,900 acres of lands classified for retention under the PRMP. This pool would include more than 1,000 acres in excess of the obligation owed to the State of Oregon.

A decision to reclassify over 1,000 excess acres at this late stage in the planning process would further compound heightened public concerns. And reclassifying lands at this time will not expedite transfer of those lands to the State of Oregon. The reasons behind their current classification and the level of controversy surrounding their potential disposal, combined with the degree of modification, would require additional analysis and public review under BLM's planning regulations. The added analysis and review cannot be accommodated in the current planning effort without incurring a significant delay in completing our ROD. Delaying the ROD has other potential implications, such as postponing issuance of a long-term lease for the Oregon Military Department. By processing your application through a separate and more focused plan amendment, we will gain the opportunity for garnering needed community support.

The PRMP includes approximately 1,100 acres of lands classified for disposal that are included in DSL's request. BLM is committed to quickly processing these parcels to meet our obligation to the State of Oregon. We are prepared to begin the transfer process for these lands as soon as the ROD for the Upper Deschutes Resource Management Plan (RMP) is signed and published. We expect publication by the end of September 2005.

The BLM is also committed to initiating work on the subsequent plan amendment process for the remaining parcels as soon as funding allows. In the meantime, you are invited to consider the more than 9,000 acres of additional lands classified as suitable for disposal in the Upper Deschutes planning area that can be processed relatively quickly.

I share your concern over the smooth and efficient processing of our obligation to the State's common school fund. I also hope you understand our delicate position in trying to process your selection request while, at the same time, honoring the trust of citizens who have worked so closely with us over the past several years. I believe that the Upper Deschutes RMP, as proposed, will effectively begin the transfer process for lands in your request. We look forward to working with you to complete the State of Oregon's selection process.

Sincerely,

for Elaine M. Brong
State Director

JAMES G. KENNA
ASSOCIATE STATE DIRECTOR

cc:
Prineville District Manager