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such fees. BLM may exempt, waive, or reduce rent for a grant under §§ 2806.14 and 2806.15 of this subpart.

(b) If BLM issued your grant on or before October 21, 1976, under then existing statutory authority, upon request, BLM will conduct an informal hearing before a proposed rent increase becomes effective. This applies to rent increases due to a BLM-initiated change in the rent or from initially being put on a rent schedule. You are not entitled to a hearing on annual adjustments once you are on a rent schedule.

§ 2806.11 How will BLM charge me rent?

(a) BLM will charge rent beginning on the first day of the month following the effective date of the grant through the last day of the month when the grant terminates. *Example:* If a grant became effective on January 10 and terminated on September 16, the rental period would be February 1 through September 30, or 8 months.

(b) BLM will set or adjust the annual billing periods to coincide with the calendar year by prorating the rent based on 12 months.

(c) If you disagree with the rent that BLM charges, you may appeal the decision under § 2801.10 of this part.

§ 2806.12 When do I pay rent?

(a) You must pay rent for the initial rental period before BLM issues you a grant.

(b) You make all other rental payments for linear rights-of-way according to the payment plan described in § 2806.23 of this subpart.

(c) After the first rental payment, all rent is due on January 1 of the first year of each succeeding rental period for the term of your grant.

§ 2806.13 What happens if I pay the rent late?

(a) If BLM does not receive the rent payment within 15 calendar days after the rent was due under § 2806.12 of this subpart, BLM will charge you a late payment fee of \$25.00 or 10 percent of the rent you owe, whichever is greater, not to exceed \$500 per authorization.

(b) If BLM does not receive your rent payment and late payment fee within

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30 calendar days after rent was due, BLM may collect other administrative fees provided by statute.

(c) If BLM does not receive your rent, late payment fee, and any administrative fees within 90 calendar days after the rent was due, BLM may terminate your grant under § 2807.17 of this part and you may not remove any facility or equipment without BLM's written permission (*see* § 2807.19 of this part). The rent due, late payment fees, and any administrative fees remain a debt that you owe to the United States.

(d) If you pay the rent, late payment fee, and any administrative fees after BLM has terminated the grant, BLM does not automatically reinstate the grant. You must file a new application with BLM. BLM will consider the history of your failure to timely pay rent in deciding whether to issue you a new grant.

(e) You may appeal any adverse decision BLM takes against your grant under § 2801.10 of this part.

§ 2806.14 Under what circumstances am I exempt from paying rent?

You do not have to pay rent for your use if:

(a) BLM issues the grant under a statute which does not allow BLM to charge rent;

(b) You are a Federal, state, or local government or its agent or instrumentality, unless you are:

(1) Using the facility, system, space, or any part of the right-of-way area for commercial purposes; or

(2) A municipal utility or cooperative whose principal source of revenue is customer charges;

(c) You have been granted an exemption under a statute providing for such; or

(d) Electric or telephone facilities constructed on the right-of-way were financed in whole or in part, or eligible for financing, under the Rural Electrification Act of 1936, as amended (REA) (7 U.S.C. 901 *et seq.*), or are extensions of such facilities. You do not need to have sought financing from the Rural Utilities Service to qualify for this exemption. BLM may require you to document the facility's eligibility for REA financing. For communication site facilities, adding or including non-

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eligible facilities as, for example, by tenants or customers, on the right-of-way will subject the holder to rent in accordance with §§2806.30 through 2806.44 of this subpart.

§ 2806.15 Under what circumstances may BLM waive or reduce my rent?

(a) BLM may waive or reduce your rent payment, even to zero in appropriate circumstances. BLM may require you to submit information to support a finding that your grant qualifies for a waiver or a reduction of rent.

(b) BLM may waive or reduce your rent if you show BLM that:

(1) You are a non-profit organization, corporation, or association which is not controlled by, or is not a subsidiary of, a profit making corporation or business enterprise and the facility or project will provide a benefit or special service to the general public or to a program of the Secretary;

(2) You provide without charge, or at reduced rates, a valuable benefit to the public at large or to the programs of the Secretary of the Interior;

(3) You hold a valid Federal authorization in connection with your grant and the United States is already receiving compensation for this authorization. This paragraph does not apply to oil and gas leases issued under part 3100 of this chapter; or

(4) Your grant involves a cost share road or a reciprocal right-of-way agreement not subject to subpart 2812 of this chapter. In these cases, BLM will determine the rent based on the proportion of use.

(c) The BLM State Director may waive or reduce your rent payment if

the BLM State Director determines that paying the full rent will cause you undue hardship and it is in the public interest to waive or reduce your rent. In your request for a waiver or rental reduction you must include a suggested alternative rental payment plan or timeframe within which you anticipate resuming full rental payments. BLM may also require you to submit specific financial and technical data or other information that corrects or modifies the statement of financial capability required by §2804.12(a)(5) of this part.

§ 2806.16 When must I make estimated rent payments to BLM?

To expedite the processing of your grant application, BLM may estimate rent payments and collect that amount before it issues the grant. The amount may change once BLM determines the actual rent of the right-of-way. BLM will credit any rental overpayment, and you are liable for any underpayment. This section does not apply to rent payments made under a rent schedule in this part.

LINEAR RIGHTS-OF-WAY

§ 2806.20 What is the rent for a linear right-of-way?

(a) Except as noted in paragraph (c) of this section, BLM will use the Per Acre Rent Schedule found at paragraph (b) of this section to calculate rent for linear rights-of-way. The Per Acre Rent Schedule is updated annually in accordance with §2806.21 of this subpart.

(b) The Per Acre Rent Schedule for calendar year 2005 is as follows:

2005 PER ACRE RENT SCHEDULE

County zone number and per acre zone price	Per acre rent for oil and gas and other energy related pipeline, and all roads, ditches, and canals. To be adjusted annually for changes in the IPD-GDP. See §2806.21 for update information	Per acre rent for electric transmission and distribution lines, telephone lines, non-related pipelines, and other linear rights-of-way. To be adjusted annually for changes in the IPD-GDP. See §2806.21 for update information
Zone 1 \$50	\$3.89	\$3.40
Zone 2 \$100	7.76	6.79
Zone 3 \$200	15.58	13.61
Zone 4 \$300	23.31	20.43
Zone 5 \$400	31.14	27.23
Zone 6 \$500	38.89	34.03
Zone 7 \$600	46.66	40.86