

THE ASSOCIATE DEPUTY SECRETARY OF THE INTERIOR WASHINGTON, DC 20240

MAY 0 1 2006

Dear Tribal Leader:

On January 26, 2006, I sent a letter to all Tribal Leaders to advise them of the financial impact of the Bureau of Indian Affairs payment of a portion of the attorney fees associated with the *Cobell v. Norton* case. This letter identified the program source of a \$3.0 million payment made by the Bureau of Indian Affairs for these extraordinary costs, \$2.0 million from an account used to reimburse tribal attorneys fees and about \$1.0 million by a 0.1% across-the-board retention of program funds with some exclusion.

Over the past several weeks, I have met with many tribal leaders who have expressed their concern about the impact of the reduction in funding used to provide for tribal attorney fees payments. The Chairman and ranking member of the Senate Subcommittee on Interior and Related Agencies have also written to express concern over these reductions.

As many of you are aware, the Saginaw Chippewa Indian Tribe of Michigan recently informed us that the Tribal Council has voted not to accept \$3.0 million previously appropriated through the Tribal Demonstration Project to construct a school on their reservation, because they determined it is not financially prudent to pursue the project.

I am pleased to tell you that the Department will transfer \$3.0 million from the Tribal Demonstration Project to provide for payment of the Cobell attorney fees, which will in turn allow for the restoration of the funds to the tribal attorney program and the 0.1% across-the-board retention.

Your continued assistance in working cooperatively to address the needs of Indian Country is appreciated.

Sincerely,

lames E. Cason