

# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

DEC 5 2002

Dear Tribal Task Force Members:

This letter is pursuant to our meeting in Arlington, Virginia, in October 2002, where I promised to keep you apprised of the progress of the Department of the Interior (DOI) on the reorganizational plans and the activities of interest to the Task Force. I am transmitting herewith organizational charts and the accompanying explanatory narrative for the proposed reorganization of the Bureau of Indian Affairs (BIA) and the Office of Special Trustee (OTS).

This organizational chart includes many areas which we agreed upon in Anchorage, Alaska in August 2002. The organizational chart we agreed upon in Anchorage included the creation of the Office of Under Secretary and the integration of OST functions into the BIA. These provisions are not included in the organization chart as they require legislation.

I met with several members of the Task Force, along with Deputy Secretary Griles and Associate Deputy Secretary Cason to preview these suggested organization changes prior to making them public. In this meeting, it was the consensus of all present that our mutual objectives would be well served by convening a meeting of the Task Force in Washington, D.C. on December 16 and 17, 2002. This is your early notice of this meeting and we will provide you the place and other logistical information as soon as it becomes available.

The primary focus of this meeting will be to discuss the options for a long-term mechanism that can be employed to evaluate a much wider variety of Indian issues, especially those involving Trust reform.

I want to personally thank each of you for the personal sacrifices of time and separation from your tribal responsibilities and your families during your very useful contribution to the Tribal Task Force's primary objective of developing a reorganization approach of trust functions within DOI.

Sincerely,

Assistant Secretary - Indian Affairs

Enclosures

Exhibit 2

## **Reorganization of the Office of Special Trustee for American Indians, the Office of the Assistant Secretary – Indian Affairs, and the Bureau of Indian Affairs**

### **Introduction**

The Department of the Interior (DOI) is proposing a reorganization of its Indian Trust functions within the Office of the Assistant Secretary – Indian Affairs, the Bureau of Indian Affairs (BIA) and the Office of the Special Trustee (OST). The reorganization will improve the effectiveness and accountability of trust management in DOI. The implementation of this proposal will provide enhanced benefits to trust beneficiaries, including –

- Dedicating personnel to provide consolidated beneficiary services.
- Increasing the emphasis on Tribal contracting and compacting.
- Preserving staff and monetary resources within the BIA and OST.
- Improving organizational accountability.
- Elevating the profile of Indian economic development.
- Grouping organizational functions more efficiently.

Many trust reform initiatives have been undertaken over the years, with both modest success and unanticipated failure. It is clear to most interested parties that continued individual initiatives will not generate the breadth or depth of improvement that is required. In recognition of this fact, DOI is setting in motion a complete modernization of Indian Trust Management, addressing all aspects of service delivery to include beneficiary interests, business processes, information systems, organizational design, and resource allocation. Several preliminary activities such as documenting current business processes, analyzing data quality, and examining commercial best practices are underway.

Reorganization is vital to this multi-faceted approach to trust reform. Past and recent attempts to make organizational change have met with mixed results and/or resistance. Our dialogue with Indian Country through the joint DOI/Tribal Task Force clearly linked organizational structure with an improved ability to provide fiduciary quality services to trust beneficiaries. Each organization will be realigned so that responsibilities related to trust administration and management of fiduciary trust assets will be shared and separate from other responsibilities related to its respective agency.

### ***Consultation Efforts***

Beginning in December 2001, the Department held a series of meetings to hear views on the Bureau of Indian Trust Asset Management proposal proposed in November 2001. The first meeting was in Albuquerque, New Mexico on December 13, 2001. Eight additional meetings were held in different locations. The meetings were very well attended. During these meetings, a number of commenters requested a different format for consultation on this issue. Rather than simply providing views on the Department's

proposal, the Tribes asked if the Department would participate in a Task Force where the Tribes and senior Departmental officers could sit down together and discuss collaboratively the organizational issues inherent in trust reform. Shortly thereafter, the Joint Tribal Leader/Department of the Interior Task Force on Trust Reform (Task Force) was created.

The Task Force charge included review of the numerous proposals for trust reform that had been submitted to the Secretary in response to the Bureau of Indian Trust Asset Management proposal. In addition to reviewing all proposals, the Task Force was to assist the Department in its review of current practices. The Task Force was responsible for providing proposals to the Secretary on organizational alternatives for the management of trust services within the Department.

The composition of the Tribal membership of the Task Force was determined by all the tribes and represented a broad cross-section of tribal interests on a regional basis. The Task Force consisted of two tribal leaders from each region, with a third tribal leader from each region acting as an alternate. Members of the Federal team consisted of senior Department officials, including Deputy Secretary Griles and Assistant Secretary McCaleb.

The Task Force held ten joint multi-day meetings throughout the country. Meetings were held in Shepherdstown, WV, Phoenix, AZ, San Diego, CA, Minneapolis, MN, and Bismarck, ND, Portland OR, Anchorage, AK, Alexandria, VA, and Billings, MT.

### *Task Force Report*

On June 4, 2002, the Task Force presented its initial report containing its findings and recommendations on the Interior trust organization. The Task Force received several separate alternative organizational proposals (or submissions with observations). These alternative proposals provided a wide variety of options for consideration; the options ranged from the status quo to a new Department of Indian Affairs. Some proposals stated a preference to place the Department's trust responsibilities outside of the Department of the Interior.

The Task Force members analyzed all of the proposals and created several generic composite options reflecting the best features and major elements presented by the entire body of the alternative proposals. The Task Force report stated that the principal focus of further consultation should involve the configuration of line management officials, from top to bottom, in each alternative as well as the grouping of staff support functions. At the May 2002 Task Force meeting in Minneapolis, Minnesota, the Task Force agreed to initiate additional consultation meetings throughout Indian Country in June and early July.

After this further consultation, the Task Force ultimately reached agreement as a group to recommend that Congress establish a new position, an Under Secretary for Indian Affairs, who would be appointed by the President, subject to confirmation by the Senate,

and would report directly to the Secretary. The Under Secretary would have direct line authority over all aspects of Indian affairs within the Department. This authority would include the coordination of trust reform efforts across the relevant agencies and programs within the Department to ensure these functions are performed in a manner that is consistent with our trust responsibility. Also, the Office of the Special Trustee would be phased-out.

The Task Force also reached agreement on creation of an Office of Self-Governance and Self-Determination reporting directly to the new Under Secretary for Indian Affairs. This would enhance the abilities of the tribes that are interested in moving toward more compacting and contracting to carry out the services due to Indian beneficiaries. Similarly, the Task Force agreed that any authorizing legislation would also include the creation of a Director of Trust Accountability reporting directly to the Under Secretary who would have the day-to-day responsibility for overseeing the trust programs of the Department.

In addition, a working group of the Task Force reached agreement on a restructuring of the Bureau of Indian Affairs. The Department and the Tribal Representatives agreed that the status quo is not acceptable, and that the Department's longstanding approach to trust management needed to change. Moreover, this change must be reflected in a system that is accountable at every level with people trained in the principles of trust management.

The consultation process came to a close with a final regional consultation session in Billings, Montana in October 2002. Although the Task Force/consultation process did not succeed in reaching consensus on legislation supporting a trust organization structure, much was learned about the needs of the tribes and the kind of reorganization that would both strengthen trust functions and meet those needs.

### Reorganization of the Office of Special Trustee for American Indians

To be consistent with the proposed reorganization of the BIA, the Office of the Special Trustee is proposed to retain oversight responsibilities of fiduciary trust asset management and to continue managing financial assets and certain reform projects. Under this proposal, the Special Trustee will retain the authorities that would have been transferred to an Under Secretary in the Task Force proposal.

Additional operating authority is proposed for OST including line authority over regional trust administrators and trust officers. These are new positions within DOI and, to the extent possible, will be filled by skilled trust administrators or staff trained for these responsibilities. It is proposed that a field staff of four to six trust administrators will be centrally located in Indian country and will oversee a staff of trust officers and trust account managers in field locations. The trust officers will be co-located with BIA agencies where space is available or located in near proximity to the agencies, and will work closely with the agency person in charge of resource management, usually the superintendent. The trust officers will be the first line of contact for tribal and individual

beneficiaries for issues related to their ownership and use of trust assets and overall management of their accounts.

In addition, a new Deputy Special Trustee for Trust Accountability position will be established having authority over trust training, trust regulatory, policy and procedures, and a trust program management center. This builds from the recommendations of the Task Force that there be a Director of Trust Accountability outside of the BIA reporting directly to an Under Secretary. In this case, the reporting will be to the Special Trustee.

Under this approach:

- The Special Trustee has the authority needed to ensure that all agencies within DOI are performing their trust responsibilities. Within DOI, the Special Trustee reports directly to the Office of the Secretary. This meets the need for a single, executive sponsor for trust reform and performance.
- There is a clear separation of approval authority for trust transactions including line authority over trust officers and administrators to ensure trust functions are being conducted properly.
- Audit and compliance functions are proposed to be in a separate division and would have responsibility for oversight of the Special Trustee as well as other DOI staff performing trust functions.
- This structure resembles private sector trust organizations performing trust functions.

### **Reorganization of the Office of the Assistant Secretary Indian Affairs**

The proposal will create a new Deputy Assistant Secretary for Economic Development Policy. A new Office of Self-Governance and Self-Determination will report directly to that Deputy Assistant Secretary. In addition, there will be a new Deputy Secretary for Information Resources Management, who will serve as Chief Information Officer, and have line authority over the information services for the BIA and the Assistant Secretary's Office.

Finally, the current Deputy Assistant Secretary position will be designated as a principal Deputy Assistant Secretary, enabling that individual to have line authority over all operations of the Assistant Secretary's Office and the BIA.

Under this approach:

- Self-governance and self-determination functions are elevated to the Assistant Secretary's office where they will receive more attention and direction.

- There will be a greater emphasis on information operations which is crucial to the success of trust reform.
- The management structure in the Assistant Secretary's office will be more cohesive and comprehensive.

### Reorganization of the Bureau of Indian Affairs

The proposal will retain all natural resource trust asset management within the Bureau of Indian Affairs.

The proposal will separate the management of the trust functions at the BIA regional and agency levels by creating the position of Deputy Regional Director for trust operations and a Deputy Regional Director for all other BIA services except those that report directly to the AS-IA. Deputies will report to the Regional Director who, in turn, will report to the Director, Bureau of Indian Affairs (Deputy Commissioner). A similar structure would follow at the agency level.

Under this approach:

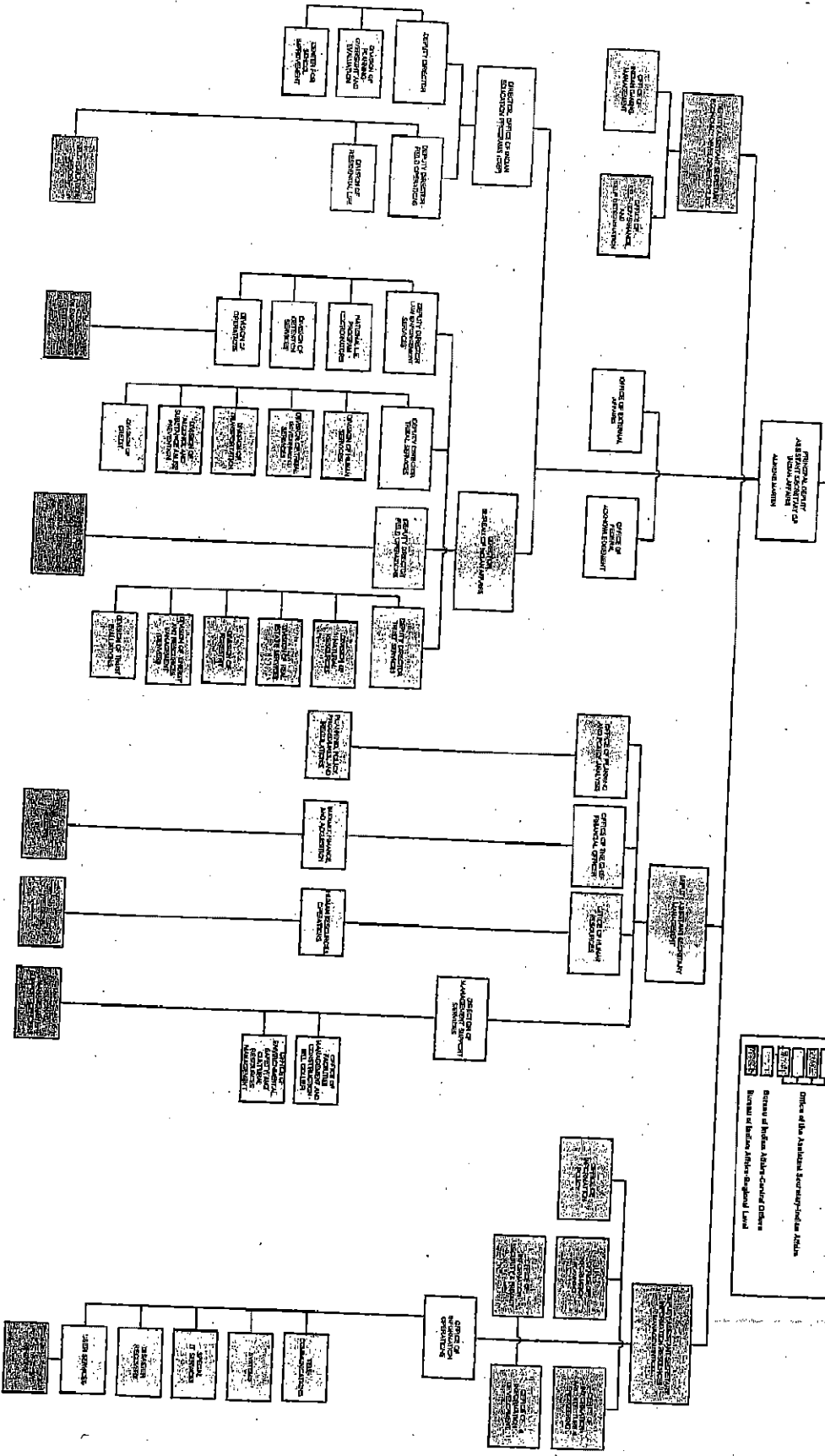
- Key functions, including management of natural resources, remain in the BIA.
- There will be specialized training of staff involved in managing trust assets.
- The structure of the BIA would be very similar to the structure discussed by the Task Force.
- Accountability will be enhanced through better-defined authority.

The proposed reorganization will allow each organization to focus on its fiduciary duties as trustee to Indian individual and tribal beneficiaries without the burden of administering other day-to-day programs on Indian reservations. The BIA has demonstrated expertise in land and natural resource management which will be administered by a deputy regional administrator with that as his or her sole responsibility. Direct line authority to the Assistant Secretary - Indian Affairs will remain. The OST will also have a regional and agency presence to ensure that trust standards are followed in the management of those assets and will retain the responsibility for financial asset management. By further developing and taking advantage of the strengths of each organization, BIA and OST, will provide the most cost effective, efficient and successful trust management system within the Department of the Interior.



# Bureau of Indian Affairs

ASSISTANT SECRETARY/INDIAN AFFAIRS  
Neal McCaleb



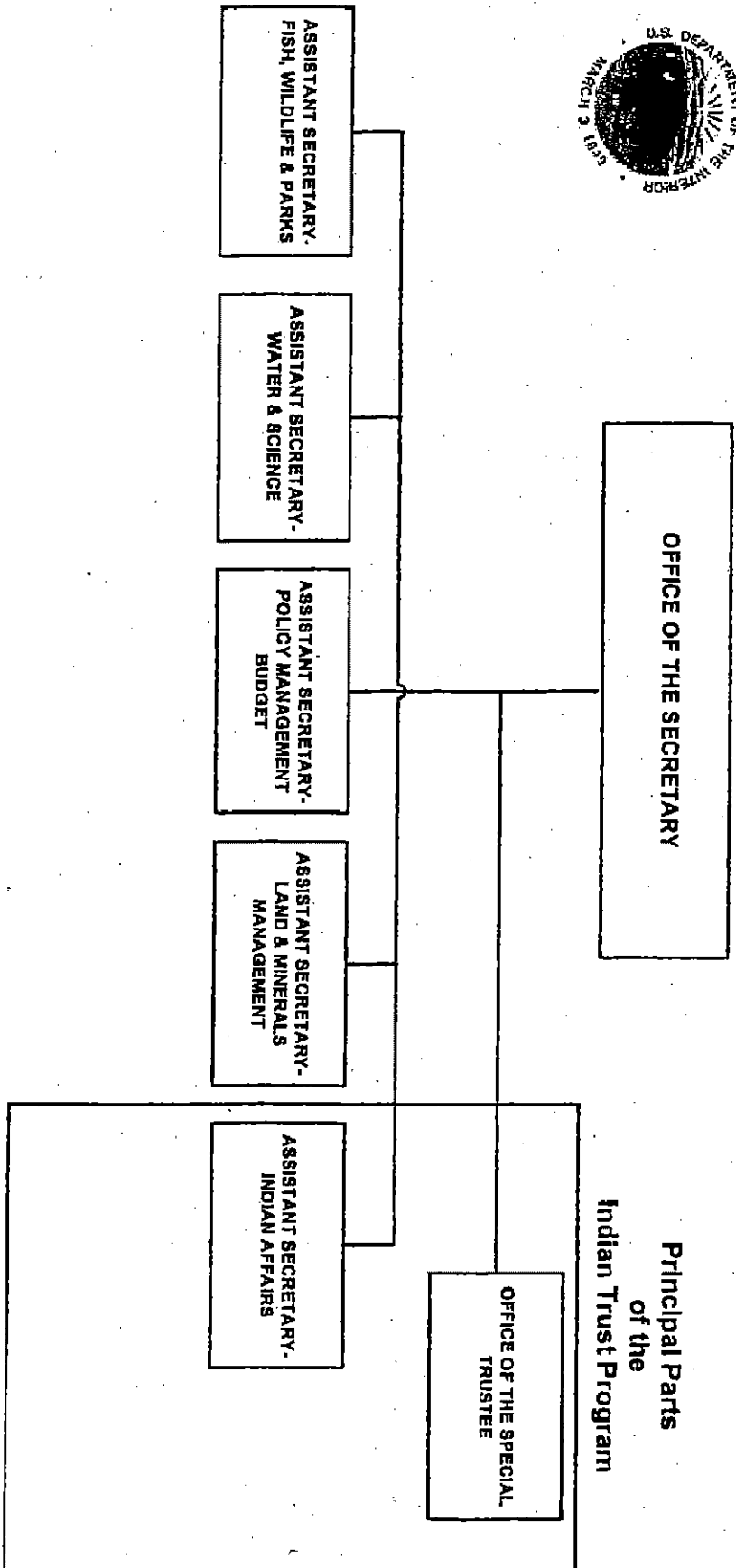


**DEPARTMENT OF THE INTERIOR**

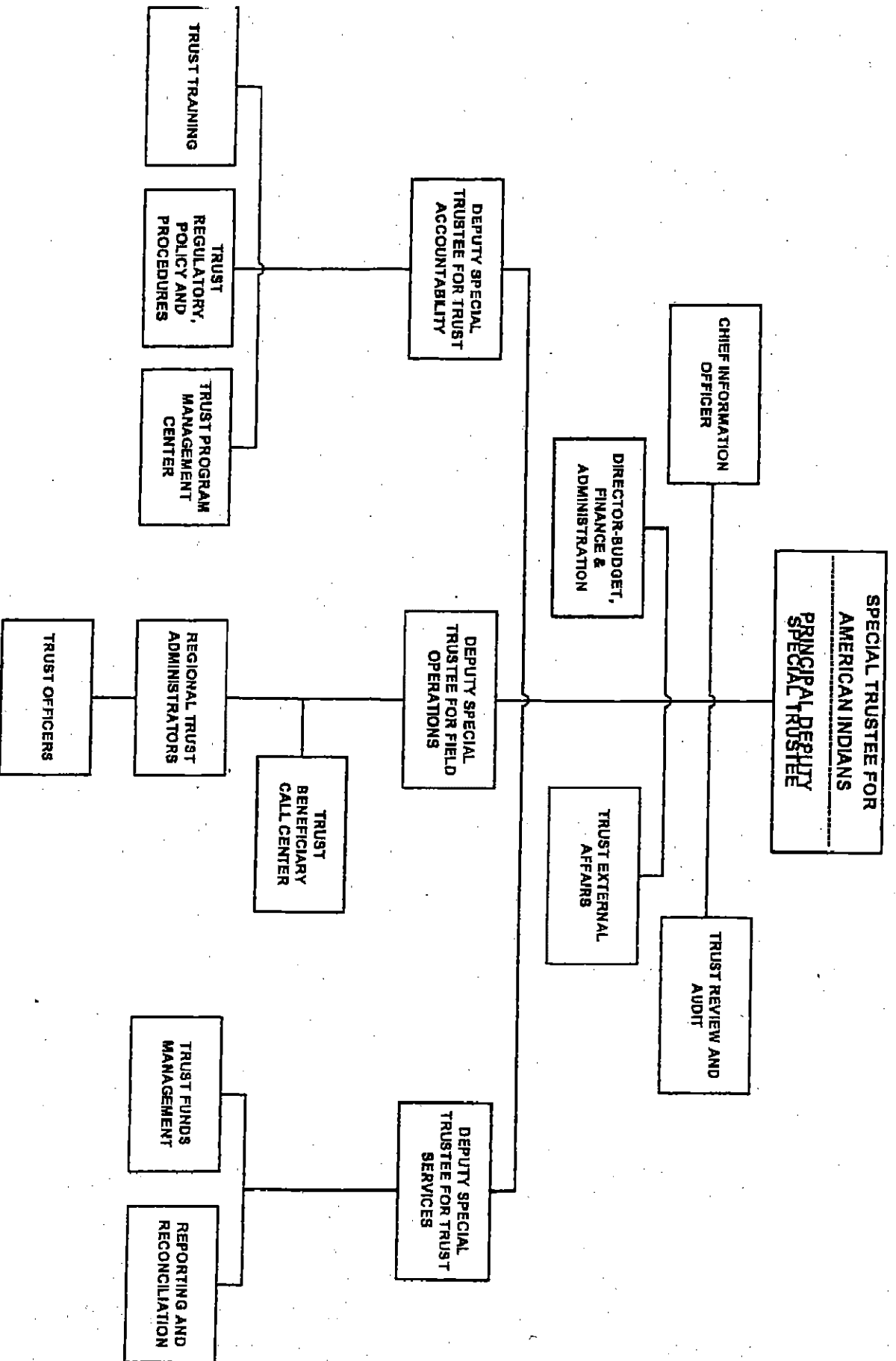


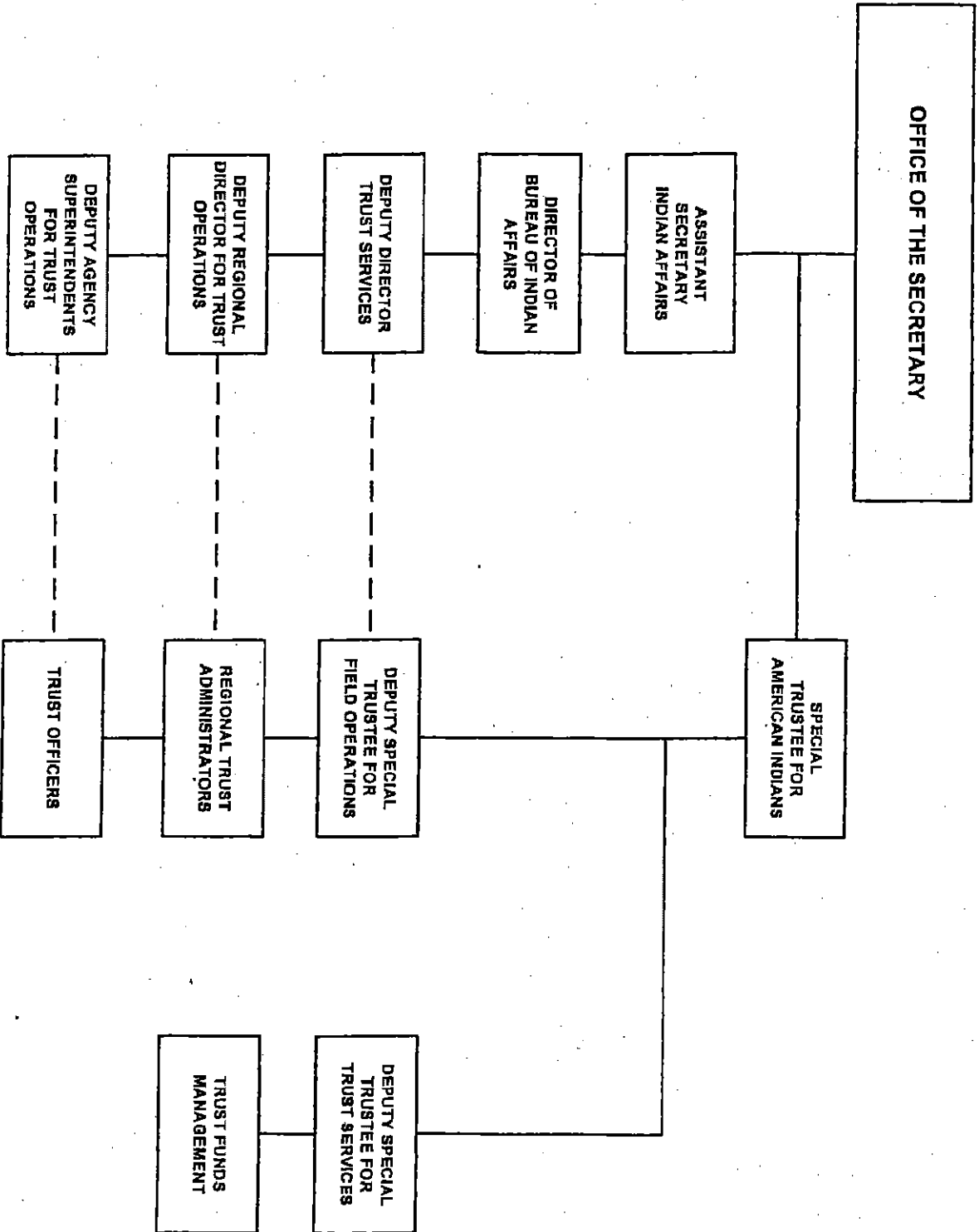
**Indian Trust Programs: Organizational Approach**

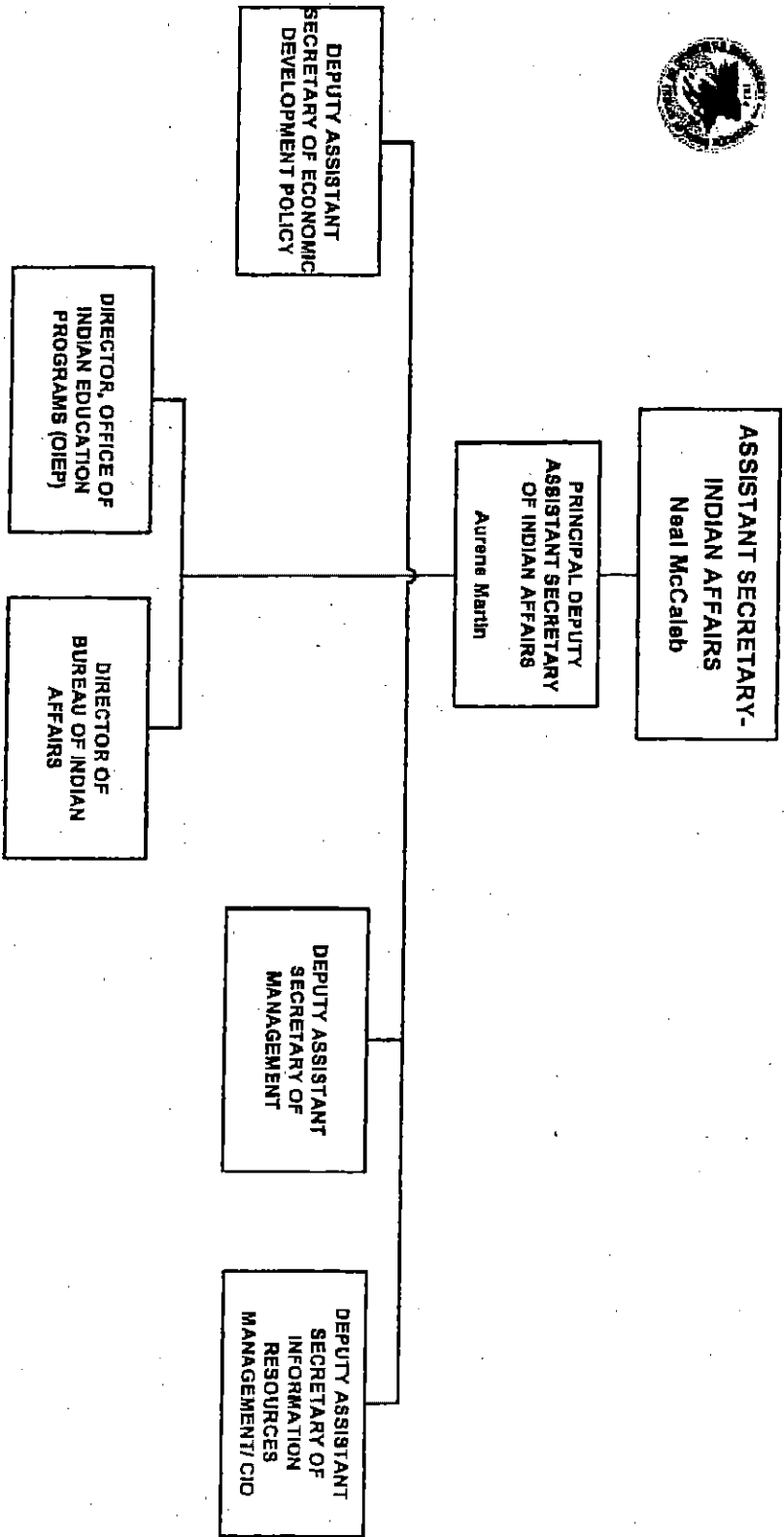


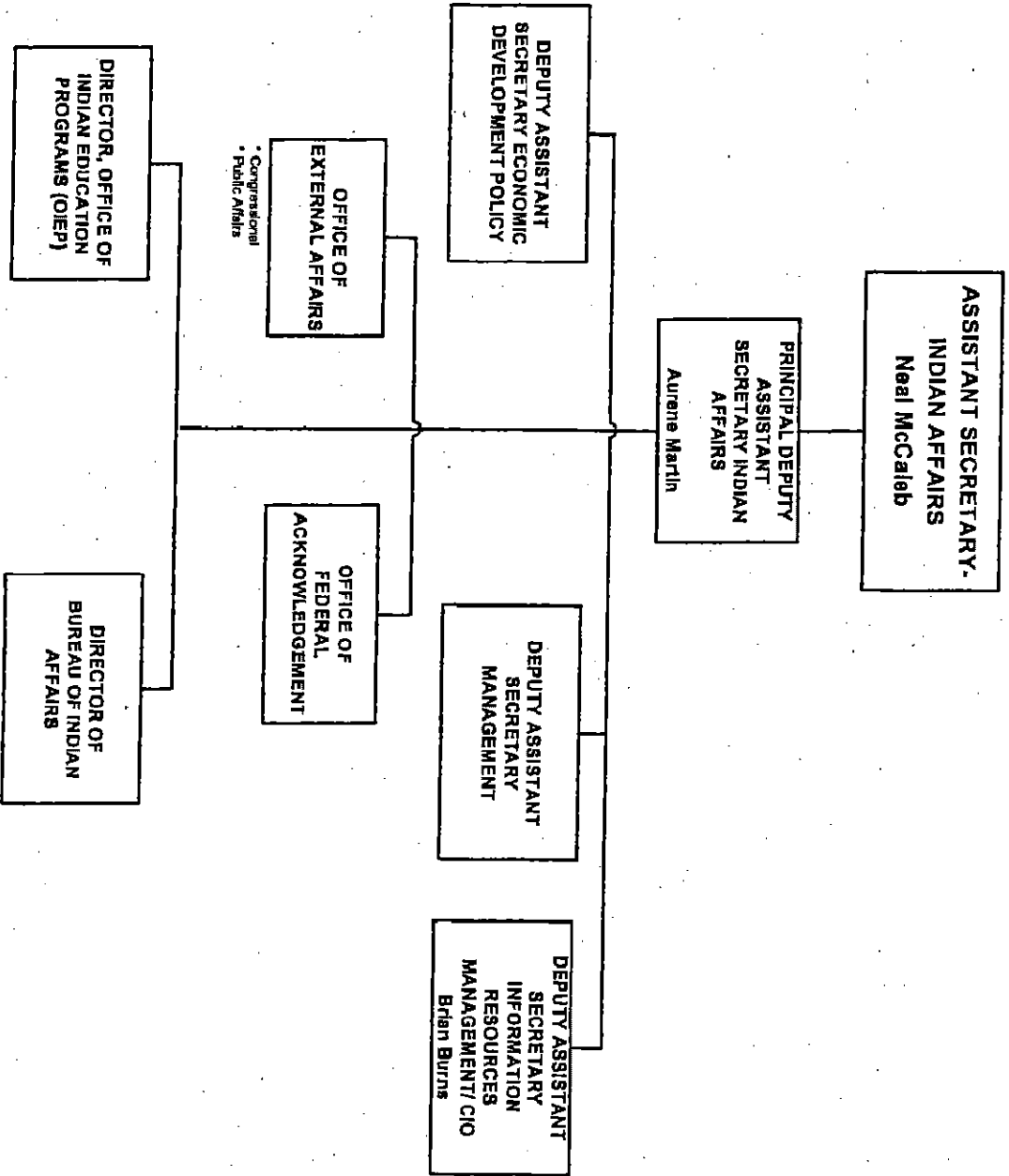


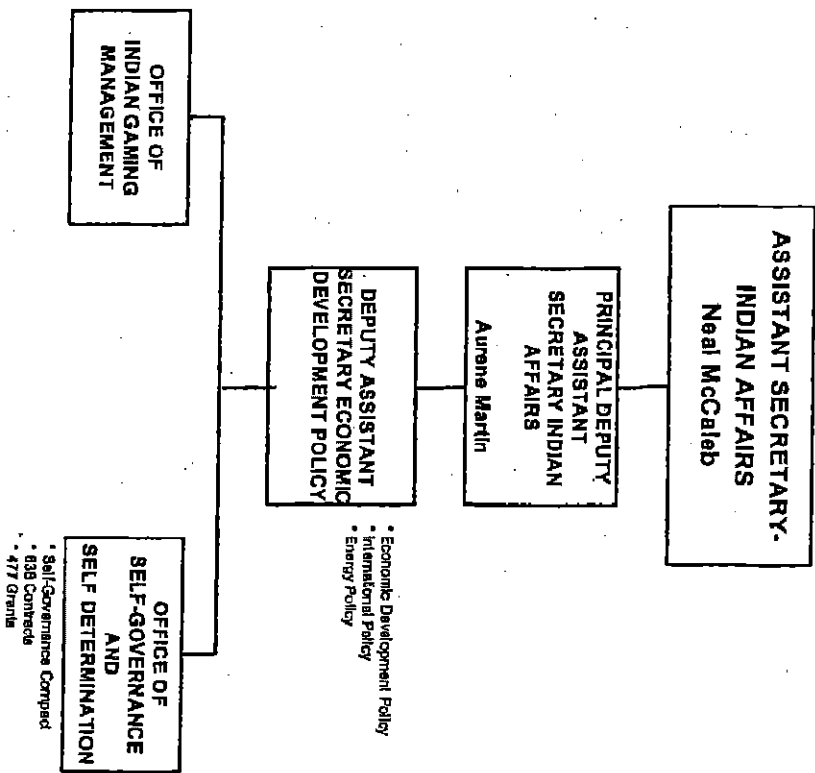
# Office of the Special Trustee for American Indians

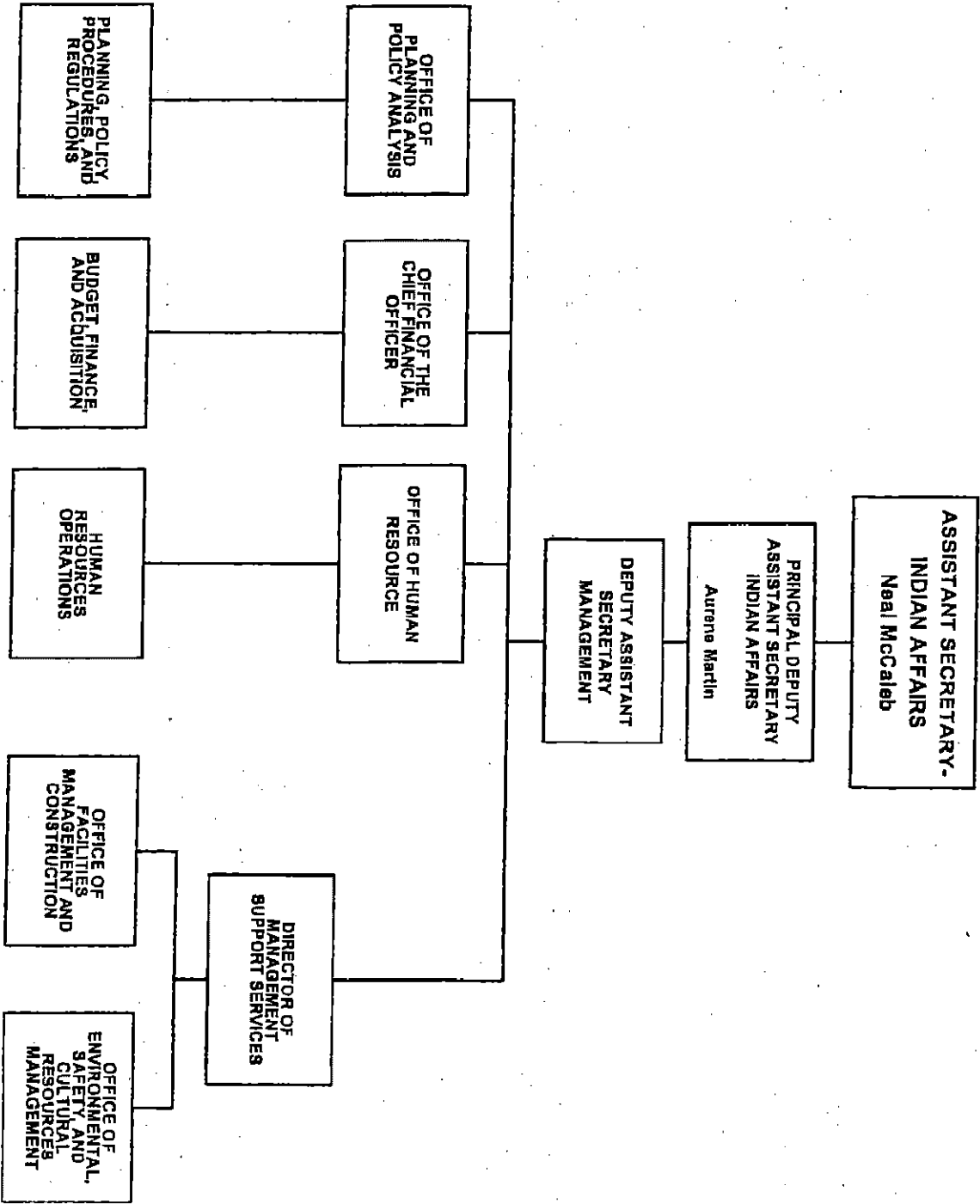




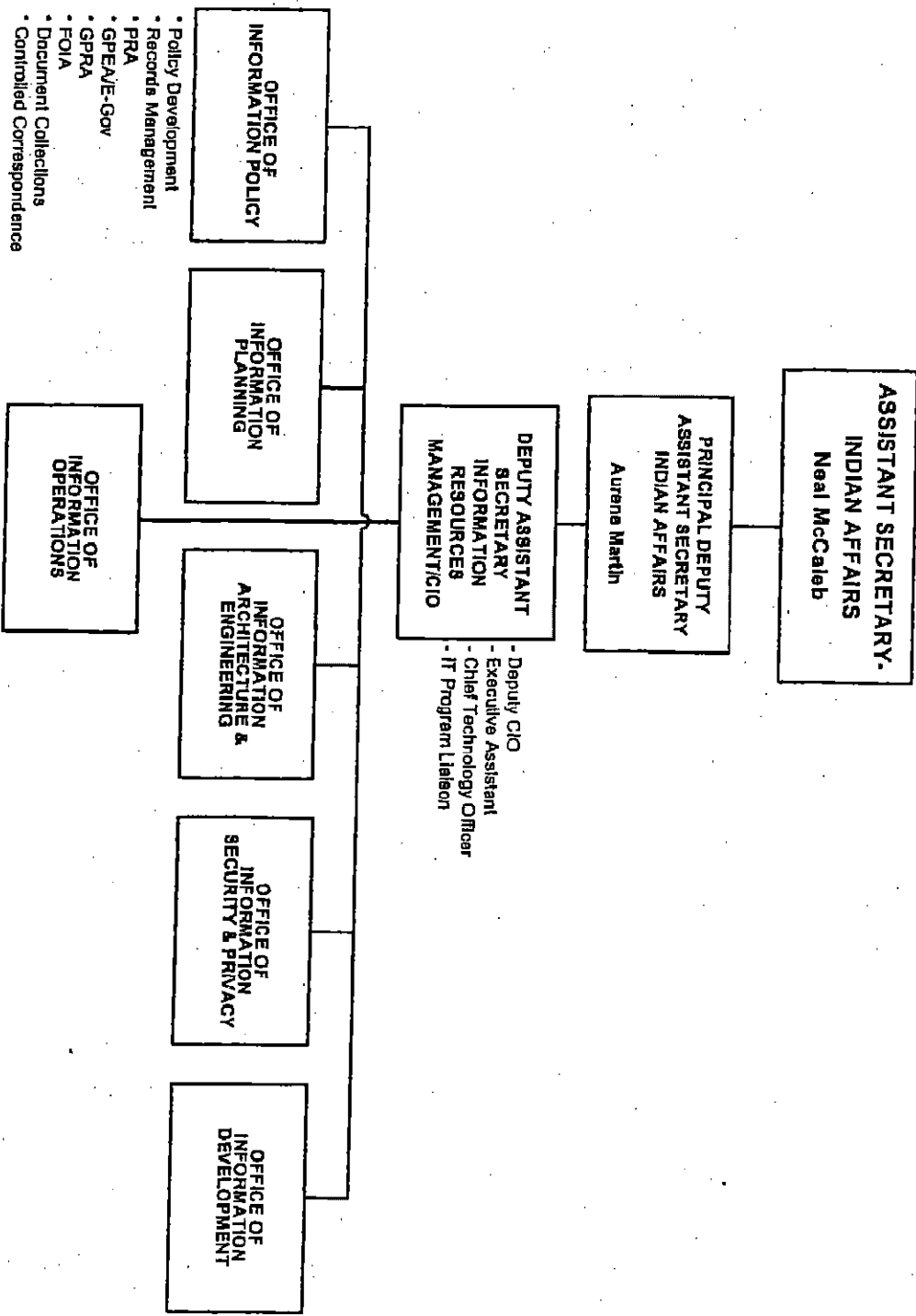






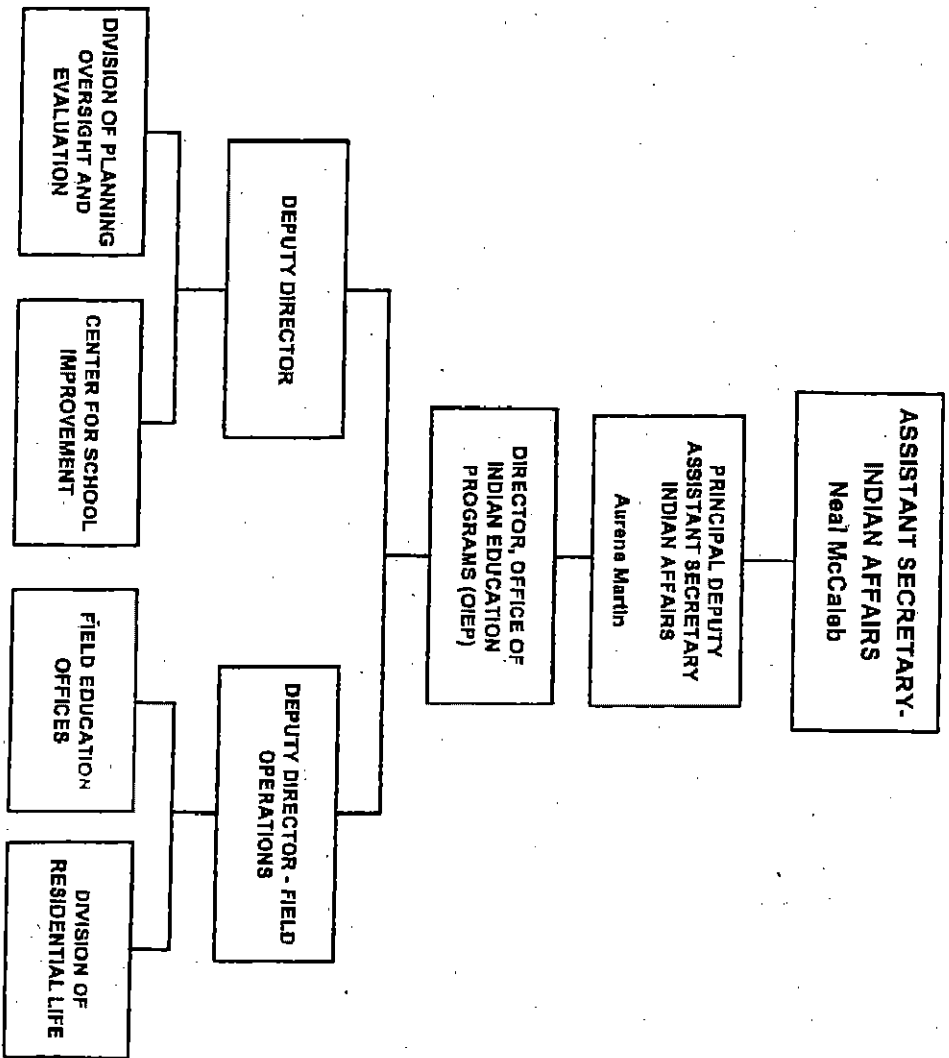


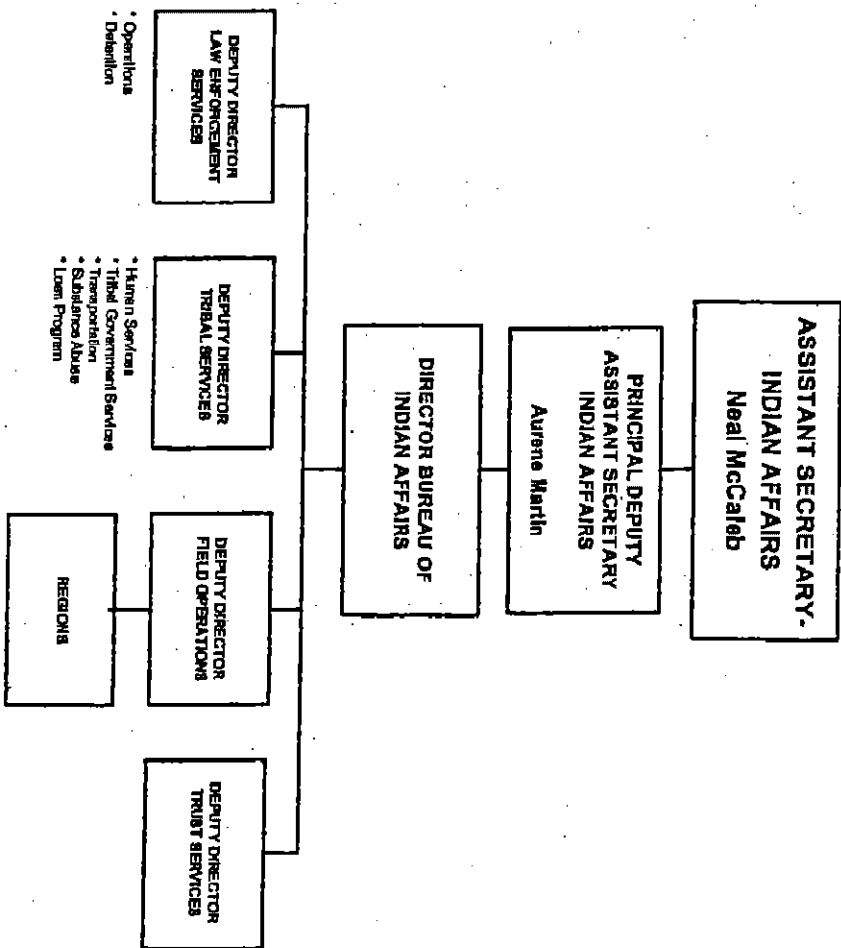
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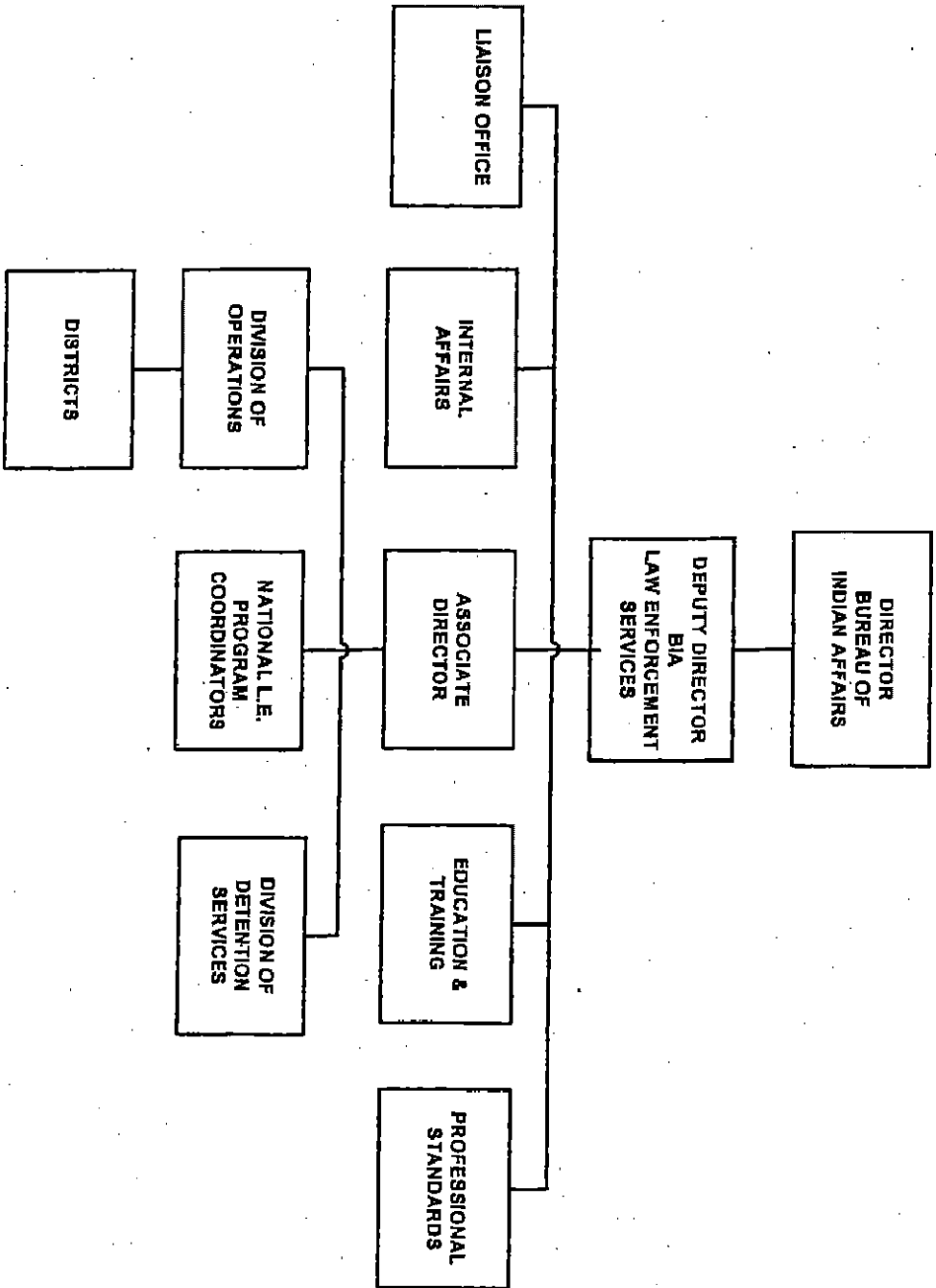


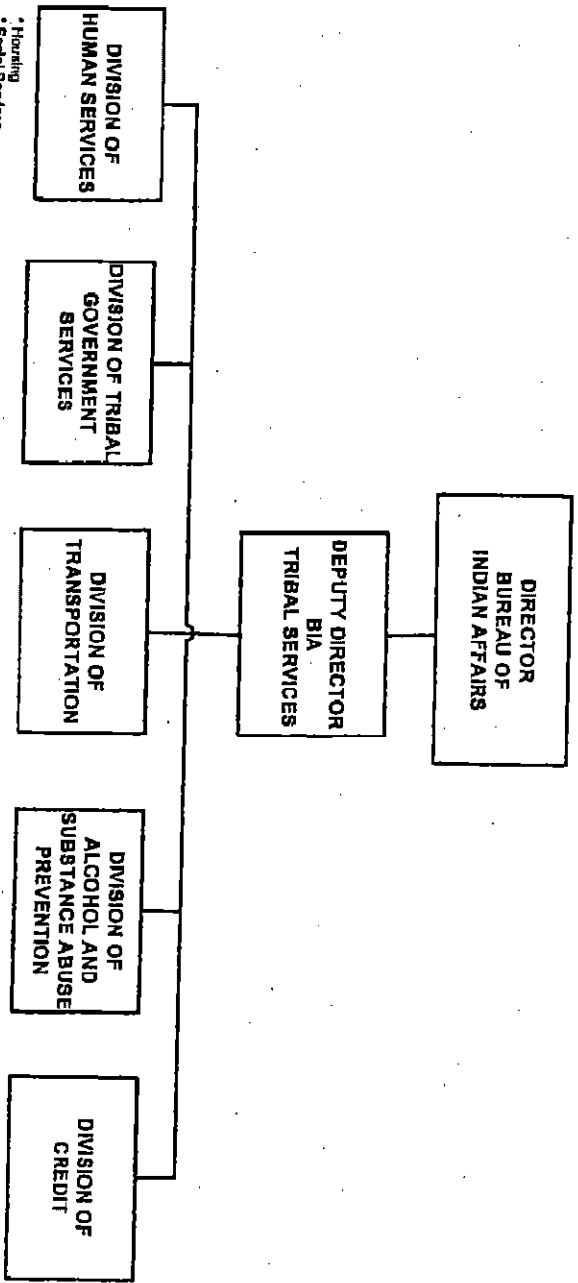
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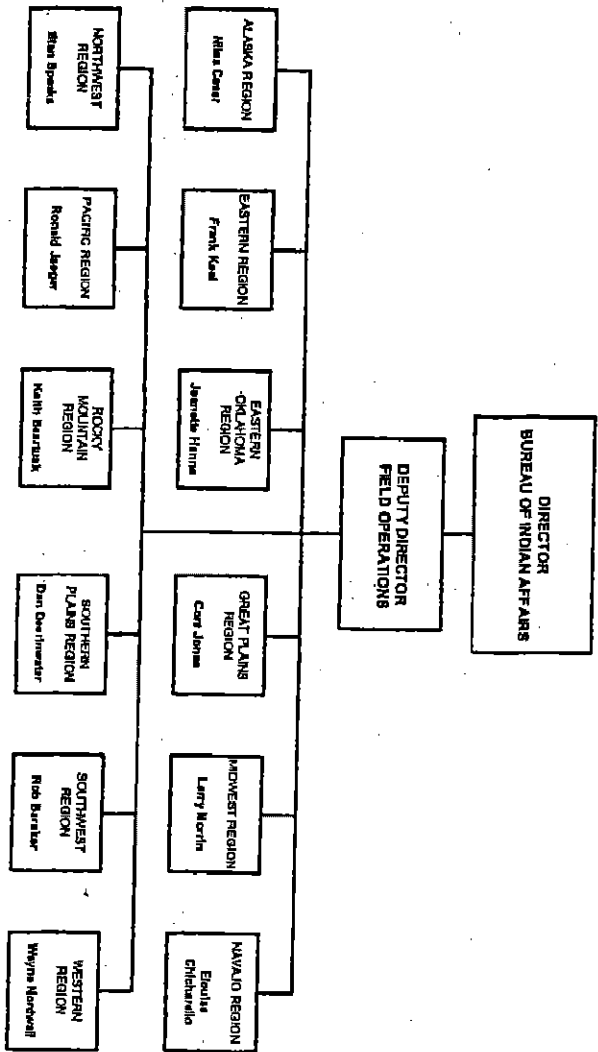




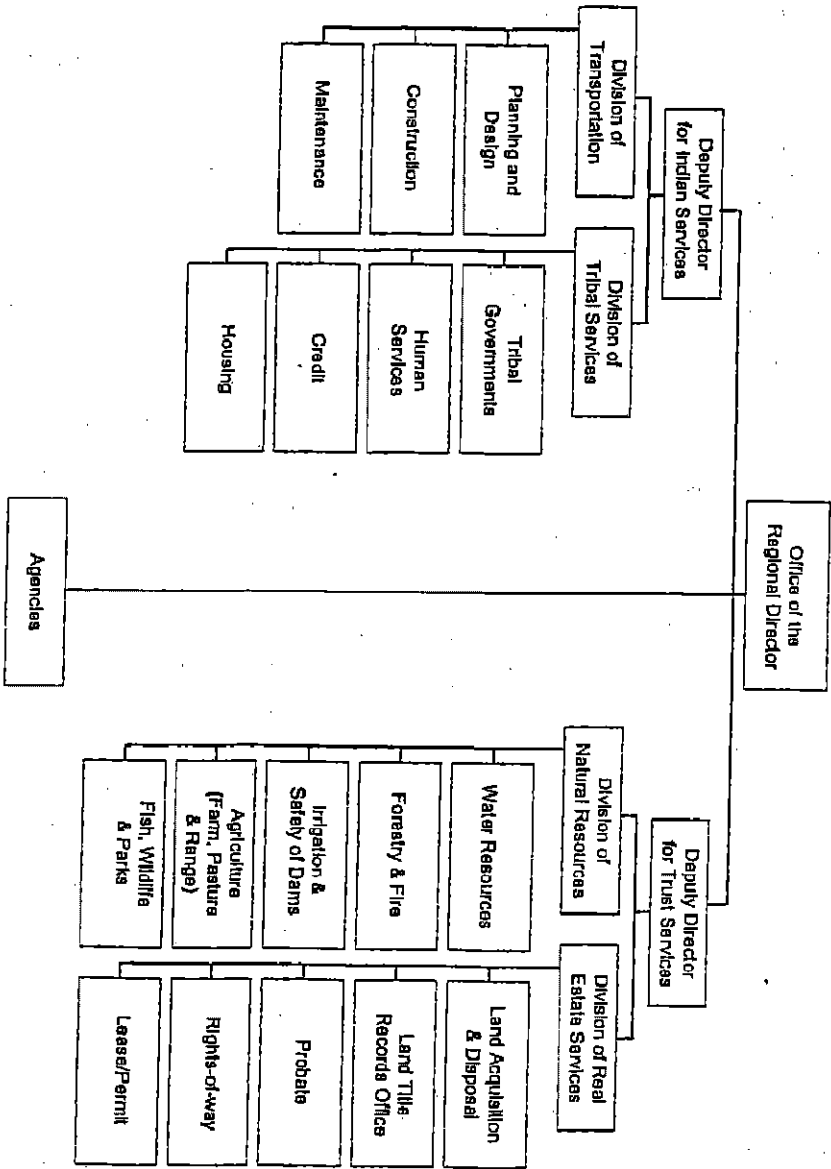




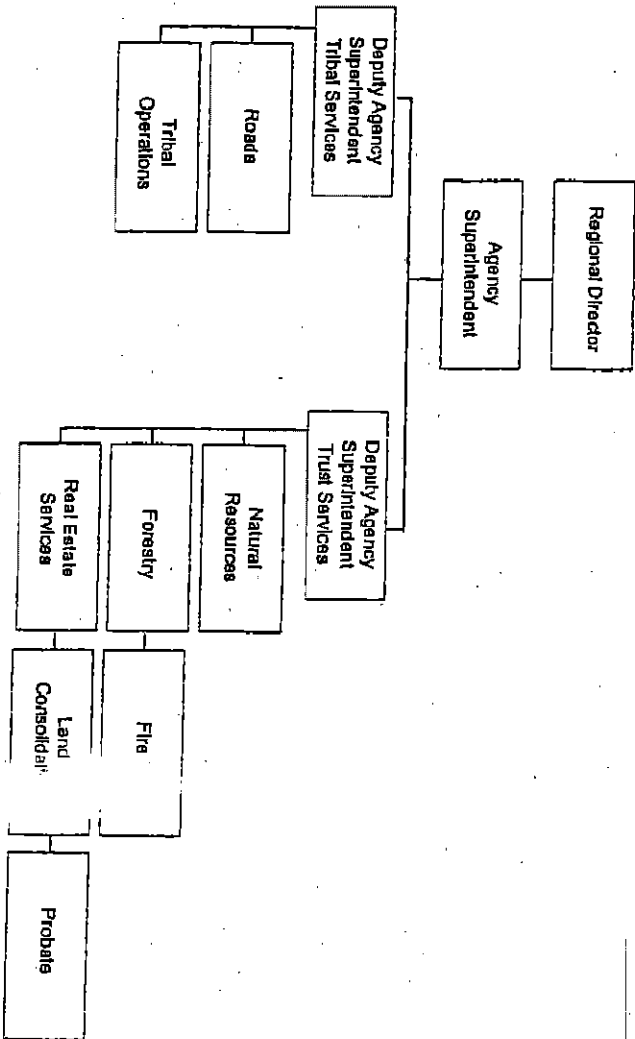


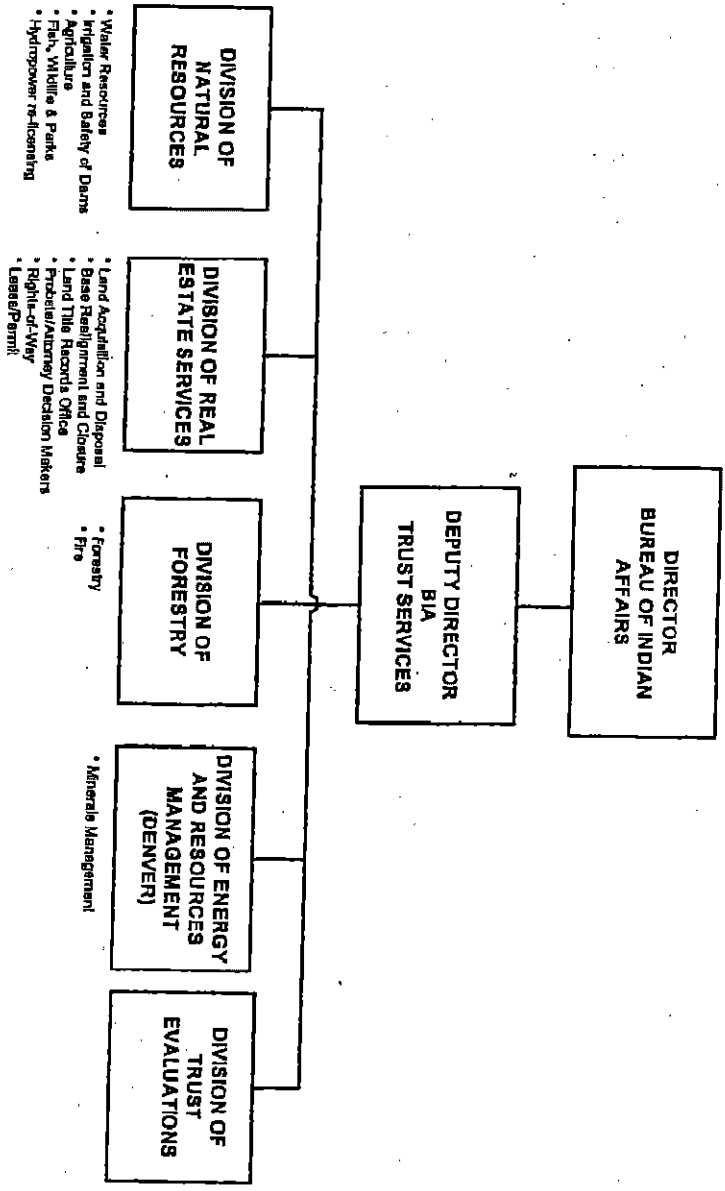


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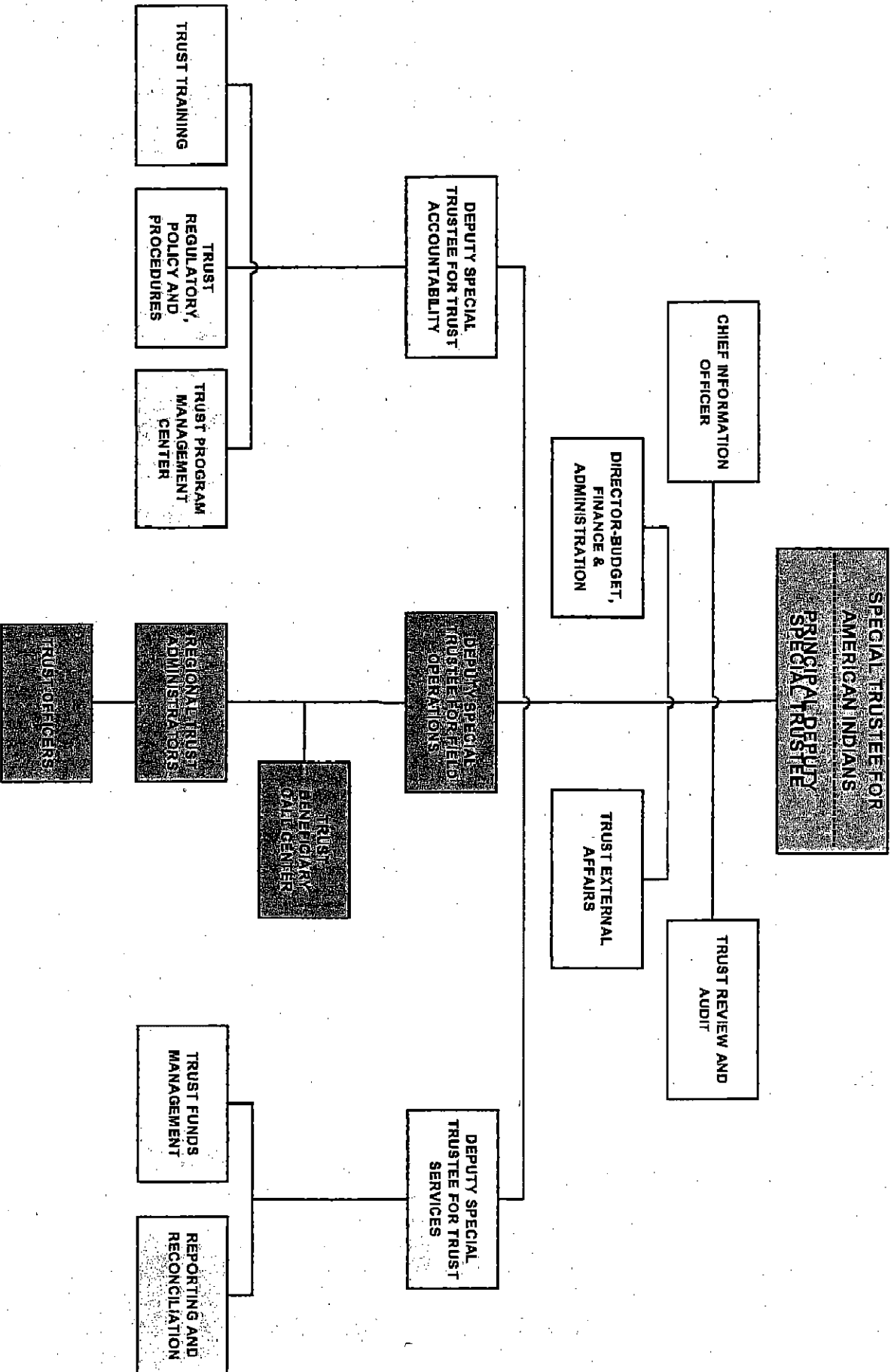
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# Office of the Special Trustee for American Indians



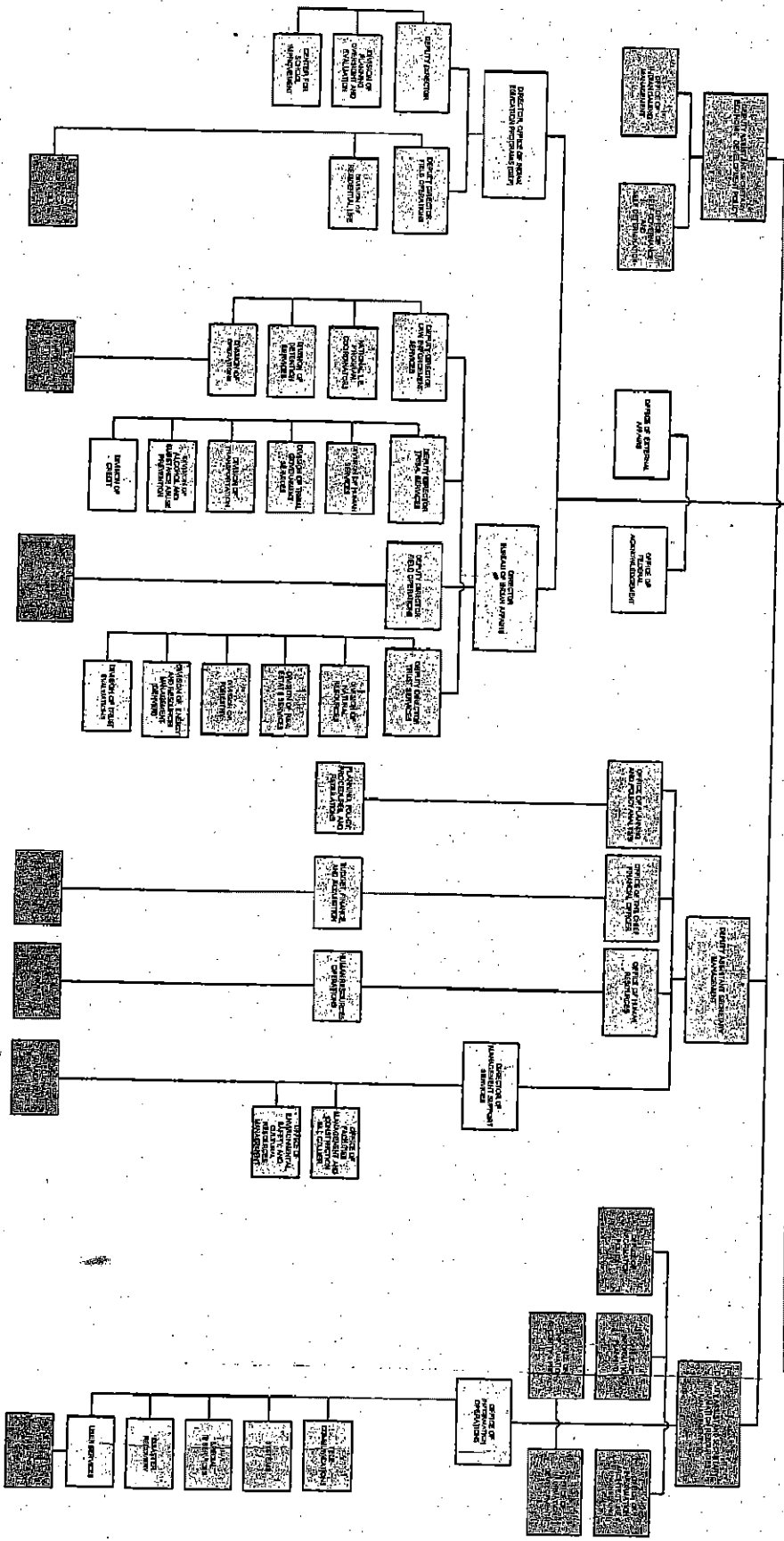


# Bureau of Indian Affairs

ASSISTANT SECRETARY INDIAN AFFAIRS  
NATIONAL OFFICE

PRINCIPAL SECRETARY  
ADMINISTRATIVE SERVICES  
ASSISTANT SECRETARY

Office of the Assistant Secretary-Indian Affairs  
Bureau of Indian Affairs-Office of  
Bureau of Indian Affairs-Regional Level





# United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, D.C. 20240

DEC 4 2002

Memorandum

To: Acting Special Trustee for American Indians  
Assistant Secretary - Indian Affairs

From: Secretary *Julia A. Norton*

Subject: Trust Organization

Thank you for your recommendations, contained in your memorandum of December 3, 2002, and the proposed Secretarial Decision Document, dated November 25, 2002. I commend both of you for your diligence and hard work. I especially appreciate your efforts to consult with Indian people as evidenced by your meetings with the Tribal Task Force.

Through your effort and the work of the tribes, you have presented me with a viable option to restructure the Department's activities in a way that can improve administration of DOI's trust obligations to Indian individuals and tribes. I find that the reasoning you presented is sound for selecting the reorganization proposal for both the Bureau of Indian Affairs and the Office of Special Trustee for American Indians.

I understand that the Department will continue to rely upon the Deputy Secretary to act as the single, executive Indian trust sponsor. While the establishment of an Undersecretary position was broadly supported by the Tribal Task Force, legislation is needed to create this position and I suggest that we keep this option in mind for future consideration.

I appreciate your commitment to Indian country to support and facilitate Tribal contracting and compacting. The organizational emphasis given to these functions reflect the Department's ongoing commitment to self-governance and to Indian economic development.

Finally, I'm pleased with the reorganization proposal that includes an emphasis on beneficiary services. Enhanced communication with our beneficiaries is important and the placement of a dedicated corps of trust officers can assist us in improving the accountability, performance and credibility of our trust programs.

Please ensure that the proposed organizational structures are incorporated into our strategic planning efforts. In addition, please communicate with the tribes and seek their assistance in the implementation of this reorganization proposal.



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

DEC 3 2002

Memorandum

To: Secretary

From: Acting Special Trustee for American Indians  
Assistant Secretary- Indian Affairs

Subject: Trust Reorganization

At your direction, the Department of the Interior engaged in a year-long effort to evaluate organizational options to improve services to Indian trust beneficiaries. This effort included many regional consultation meetings, multi-day DOI/Tribal Leaders Task Force meetings throughout the country, and testimony before Congress.

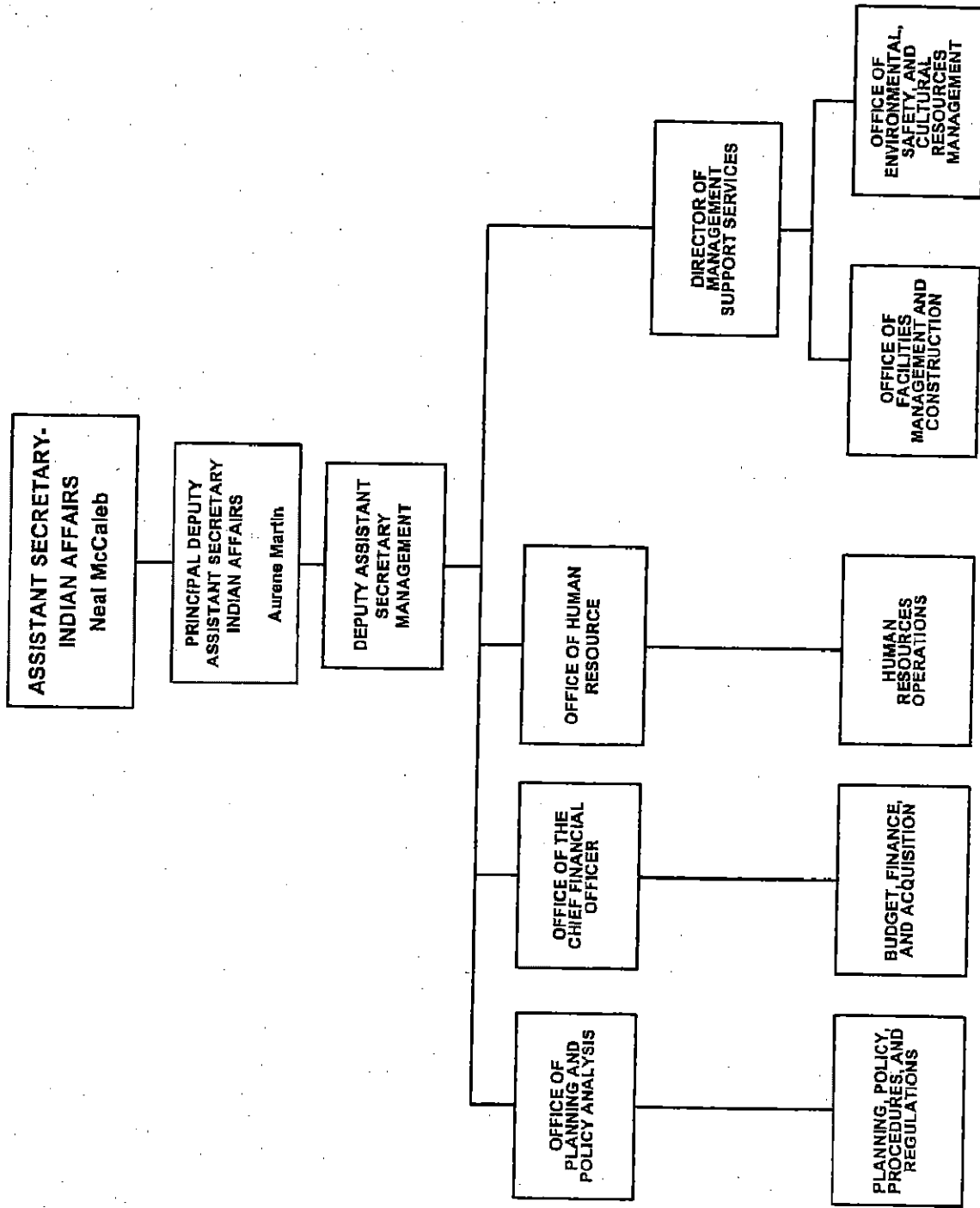
Our recommendation reflects the advice received from Indian country (consistent with our existing statutory limitations) and our need to improve the effectiveness and accountability of the Department of the Interior. We believe that the proposal provides enhanced benefits to trust beneficiaries, including but not limited to:

- \* Dedicating personnel to provide consolidated beneficiary services;
- \* Increasing the emphasis on Tribal contracting and compacting;
- \* Preserving staff and monetary resources within BIA and OST;
- \* Improving organizational accountability;
- \* Elevating the profile of Indian economic development; and,
- \* Grouping organizational functions more efficiently.

The November 25, 2002, Secretarial Decision Document included an organizational chart with "boxes" for homeland security and for dispute resolution. These functions and the individuals associated with them are being grouped in the office of the Deputy Assistant Secretary for Management within the Office of the Assistant Secretary - Indian Affairs. A revised organizational chart is provided for your convenience.

In addition, the audit and compliance function referred to on page 5 of the Secretarial Decision Document would entail the use of outside contractors to ensure further independence of the process. OST plans to contract with private sector and public entities to undertake the majority of its review and audit functions.

The Secretarial Decision Document regarding the reorganization of the Office of Special Trustee for American Indians and the Office of the Assistant Secretary - Indian Affairs, and its subordinate organization is attached and is submitted for your consideration.



NOTE: Field personnel performing these duties report directly to these offices.

## Secretarial Decision Document

### On Reorganization of the Office of Special Trustee for American Indians

### And the Office of the Assistant Secretary – Indian Affairs

#### Purpose:

To propose a reorganization of trust asset management functions within the Department of the Interior (DOI) to meet the goal of trust reform and trust management.

#### Background:

On November 14, 2001, the Secretary received a report from the Special Trustee for American Indians (Special Trustee) and the Assistant Secretary – Indian Affairs (AS-IA) recommending the creation of the Bureau of Indian Trust Asset Management (BITAM). This recommendation was also presented for review and comment to Electronic Data Systems (EDS), a contractor hired by the DOI for the purpose of evaluating certain parts of the Indian trust reform initiative. EDS envisioned the BITAM concept in the following language:

The Trust Reform sub-projects and breach efforts need to be directed by a single, Executive Sponsor. The emphasis of this recommendation is on aligning responsibility with line of authority. The Executive Sponsor should set strategy and direction for all Trust reform initiatives. This Sponsor must have line authority and control over the budget, subject matter expertise and the staffing required to keep program initiatives on schedule. *(EDS recommendation, November 12, 2001.)*

The conclusion of EDS was that a single, executive sponsor with line authority over all trust functions within the Department of the Interior was the most appropriate means to manage Indian trust reform efforts and on-going trust management. Following the recommendation of the Special Trustee, AS-IA and EDS, the Secretary announced her decision to go forward with consultation to the Indian tribes on the BITAM concept. In her memorandum to the Special Trustee and the AS-IA, she directed that consultation begin immediately.

The Department's refinement of the proposed organization and management structure will greatly benefit from the counsel provided by affected and interested parties. Please ensure that we consult with Congress, the Tribes, Department of the Interior personnel and their unions as well as other interested parties prior to implementing a broad reorganization of Indian trust asset management functions. We must tap into the broad knowledge and experience available

from these groups in order to fashion the best organizational structure possible. (*Memorandum from Secretary Norton to the Special Trustee and AS-IA, November 14, 2001.*)

The essence of BITAM was to divide the Bureau of Indian Affairs into two distinct agencies within DOI. One division would retain all BIA activities except trust related functions; the other would house only fiduciary trust functions. Each Bureau would report to its own Assistant Secretary. The fiduciary trust administration and operations on behalf of Indians and Indian tribes would be separated from the BIA into an organization consisting of approximately 3,000 employees, lead by an Assistant Secretary. The other parts of the Bureau of Indian Affairs would report to a separate Assistant Secretary having approximately 6,000 employees. BITAM would also have incorporated operational components from the Office of the Special Trustee for American Indians (OST).

The announcement of the proposed restructure of the Department was first made at a national meeting of the National Congress of American Indians. The initial reaction in Indian country was opposition. The opposition grew until a meeting was held in Albuquerque, New Mexico, at which time the Tribes present voiced unanimous opposition. Primarily, the opposition was based on lack of consultation prior to the development of the BITAM concept. Subsequently, tribes raised other issues about the proposal including a fear that there was a hidden agenda to eliminate the Bureau of Indian Affairs, a belief that the United States wanted to discontinue self-governance contracting of trust operations with self-governance tribes and that the remainder of the BIA would suffer from funding being diverted to the new trust organization.

As a result, the Secretary agreed to put BITAM on hold to determine if other options might be developed through consultation that would accomplish the goals of BITAM. The tribes offered to create a Tribal Task Force (Task Force) consisting of tribes from each BIA region. Each BIA Region was to have two tribal leaders and one alternate who were to be selected by the tribes in their region to represent their region. The leadership of the Task Force would be tribal and DOI and, to the extent possible, agreements would be reached by consensus.

The Task Force held nine multi-day meetings throughout the United States offering tribes the opportunity to hear and observe the Task Force sessions. In addition, numerous telephone conferences with Task Force members and/or their representative experts were conducted between monthly meetings to discuss pertinent subjects. Approximately 28 separate proposals suggesting ways in which DOI could reorganize the Indian Trust functions to meet the goals of trust reform and trust management, were submitted from tribes and tribal organizations to the Task Force for review and consideration. Task Force members and DOI personnel reviewed each proposal. A subcommittee of the Task Force reduced to five the number of proposals that were considered to be representative of all the other proposals. In addition, regional consultation sessions were held to present the five proposals. Furthermore, during the consultation process, the Secretary agreed to remove BITAM from consideration.

The proposal that was selected by the Task Force was one that called for an Undersecretary of DOI that would direct trust duties and would, through the AS-IA, have direct line authority of all trust personnel currently within the BIA. (*See Attachment No. 1, Task Force Recommendation*) This organizational concept accomplished the primary goals of a single, executive sponsor, direct line authority and accountability and the authority to reach into other DOI agencies to work with those bureaus that had trust responsibilities. Generally, consensus was reached on the concept, and work began on completing the details relating to the reorganization. Approximately 90% of the Special Trustee's duties were to be consolidated into the Undersecretary's position (the remaining 10% would be assumed by an oversight commission as described below). The legislation needed to establish the office of the Undersecretary would also have terminated the Office of Special Trustee approximately one year thereafter. A trust accountability section was recommended that would be an audit and compliance division for the trust operations and would report directly to the Undersecretary. A separate advisory board at the Secretarial level was suggested that would provide broad oversight and advice to the Secretary on trust matters.

In September 2002, the Task Force met in Alexandria, Virginia, and withdrew their support for the new organization led by an Undersecretary unless DOI was willing to agree to legislation that was unrelated to the trust organization effort. The legislation, among other things, required a broad waiver of sovereign immunity by the United States, legislative adoption of trust duties not found in statute, or regulations, and the creation of an oversight commission outside DOI with authority to sanction employees, direct trust reform efforts of the Secretary, issue subpoenas and have other powers. These could not be agreed to by DOI.

The consultation process came to a close with a final regional consultation session in Billings, Montana in October 2002. Although the Task Force/consultation process did not succeed in reaching consensus on legislation supporting a trust organization structure, much was learned about the desire of the tribes and the kind of organization that might be acceptable.

#### Proposal:

Many trust reform initiatives have been undertaken over the years, with both modest success and unanticipated failure. It is clear to most interested parties that continued individual initiatives would not generate the breadth or depth of improvement that is required. In recognition of this fact, DOI is setting in motion a complete modernization of Indian Trust Management, addressing all aspects of service delivery to include beneficiary interests, business processes, information systems, organizational design, and resource allocation. Several preliminary activities such as documenting current business processes, analyzing data quality, and examining commercial best practices are underway.



Reorganization is vital to this multi-faceted approach to trust reform. Past and recent attempts to make organizational change – including those described above – have met with mixed results and/or resistance. Our dialogue with Indian Country clearly linked organizational structure with an improved ability to provide fiduciary quality services to trust beneficiaries. We believe the proposal presented here meets those expectations. Each organization, OST and BIA, would be realigned so that responsibilities related to trust administration and management of fiduciary trust assets would be shared and would be separate from other responsibilities related to their respective agencies. The concept reflecting the relationship between OST and BIA is shown on Page 2 of the attached chart.

Reorganization of the Office of Special Trustee for American Indians *(See Page 3 of Attachment No. 2)*

1. To be consistent with the proposed reorganization of the Bureau of Indian Affairs, the Office of the Special Trustee is proposed to retain oversight responsibilities of fiduciary trust asset management, continue managing financial assets and certain reform projects. Under this proposal the Special Trustee will retain the authorities that would have been transferred to an Undersecretary in the Task Force proposal.
2. Additional operating authority is proposed for OST including line authority over regional trust administrators and trust officers. These are new positions within DOI and, to the extent possible, will be filled by skilled trust administrators or staff trained for these responsibilities. It is proposed that a field staff of four to six trust administrators will be centrally located in Indian country and will oversee a staff of trust officers and trust account managers in field locations. The trust officers will be co-located with BIA agencies where space is available or located in near proximity to the agencies, and will work closely with the agency person in charge of resource management (superintendent). The trust officers would be the first line of contact for tribal and individual beneficiaries for issues related to their ownership and use of trust assets and overall management of their accounts. *(See Page 4 of Attachment No. 2)*

Pros:

1. The Task Force supported a similar structure with a high level official reporting to the Office of the Secretary. The difference is that the Undersecretary would have replaced the Special Trustee.
2. The Special Trustee has the authority needed to ensure that all agencies within DOI are performing their trust responsibilities. Within DOI, the Special Trustee reports directly to the Office of the Secretary, as the Undersecretary would have. This meets the requirement of a single, executive sponsor for trust reform and performance.

3. There is a clear separation of approval authority for trust transactions including line authority over trust officers and administrators to ensure trust functions are being conducted properly.
4. Audit and compliance functions are proposed to be in a separate division and would have responsibility for oversight of the Special Trustee as well as other DOI staff performing trust functions.
5. The organization already exists and limited action by Congress is required to go forward.
6. Several reform projects have been advancing under the leadership of the Acting Special Trustee and Office of Indian Trust Transition and can be completed without interruption under this proposal.
7. OST is not necessarily permanent and when trust reform is complete and the management of trust activities meets the requirements of the statutes, this office may be incorporated into a permanent organization or cease to exist.
8. This structure resembles private sector trust organizations performing trust functions.

Cons:

1. The Task Force recommended that OST sunset in approximately one year. However, that was to be a result of having legislation that created an Undersecretary who would assume the duties of the Special Trustee.
2. The working relationship between the prior two Special Trustees and the respective Secretaries of the Interior has been contentious on occasion. The increase in responsibilities within OST will require great effort to establish a good working relationship with other DOI agencies to optimize performance.
3. The tribes prefer status quo to all the proposals. This will be perceived as having two decision makers at the regional and agency level and is not status quo.
4. There will be conflicts with BLA personnel at the regional and local levels for a period of time until the procedures are in place and the requirements of trusteeship are understood by both agencies.

Reorganization of the Bureau of Indian Affairs *(See Pages 5-17 of Attachment No. 2)*

1. It is proposed to retain all natural resource trust asset management within the Bureau of Indian Affairs.

2. It is proposed to separate the management of the trust functions at the BIA regional and agency levels by creating the position of Deputy Regional Director for trust operations and a Deputy Regional Director for all other BIA services except those that report directly to the AS-LA. Deputies will report to the Regional Director who, in turn, will report to the Director, Bureau of Indian Affairs (Deputy Commissioner). A similar structure would follow at the agency level.

Pros:

1. Leaves management of natural resources in the BIA where the expertise resides and is more likely to be supported by the Tribes.
2. Allows for specialized training of staff involved in managing trust assets.
3. Avoids appearances of conflicts with other parts of the BIA.
4. It is similar to the structure agreed upon by the Task Force, but without the Undersecretary position.
5. Limited reorganization within DOI should be easier to accomplish through reprogramming than the creation of an entirely new agency.
6. Enhances accountability through better-defined authority.

Cons:

1. Requires some realignment of staff.
2. Will be perceived as similar to BITAM because of separation of trust from non-trust, despite the fact that the responsibilities within BIA will remain inside BIA.
3. Lacks official tribal endorsement.

The organization charts attached to this document set forth the recommended organizational structure for BIA and OST. We believe this structure accomplishes most of the goals set forth by the Secretary, by EDS and by the Tribal Task Force.

The effort has been to create structures that accomplish what all the parties desire but to do it in a way that requires minimum congressional approval, has the least impact on any of the DOI organizations, and gives serious consideration to the recommendations from the Task Force consultation process of the past year.

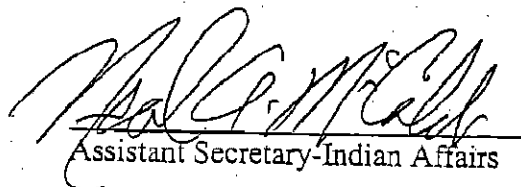
It is important, however, not to lose sight of the evidence that DOI must meet a high standard of performance in its delivery of trust services. Many of the administrators have not had the opportunity of being trained on the full complement of fiduciary duties for

which they are responsible. This new structure will require those involved in the Indian fiduciary trust administration in DOI to continue the role of a trustee and be held accountable to meet high performance standards. We believe once a decision is made, the realignment of functions should begin immediately with the appropriate position descriptions, departmental manual amendments and personnel recruitment actions to enable DOI to deliver quality services to the trust beneficiary.

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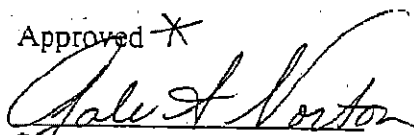


Acting Special Trustee for American Indians



Assistant Secretary-Indian Affairs

Approved \*

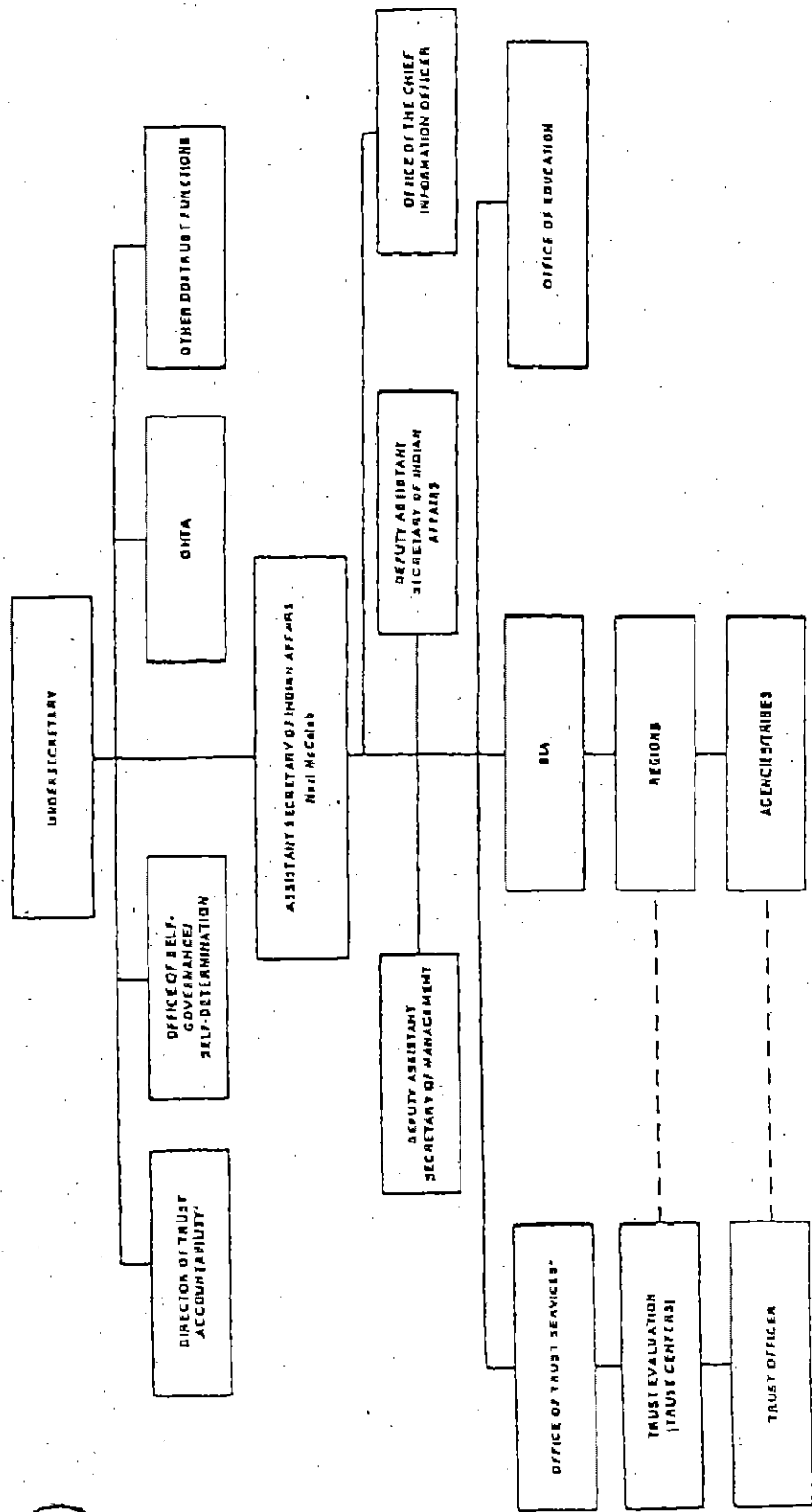


Secretary of the Interior

Disapprove

Secretary of the Interior

\* See attached approval memo



\* Will have regional and agency presence (function and/or personnel)

Task Force Recommendation  
Attachment 1



ATTACHMENT NUMBER 2, PAGES 2-17

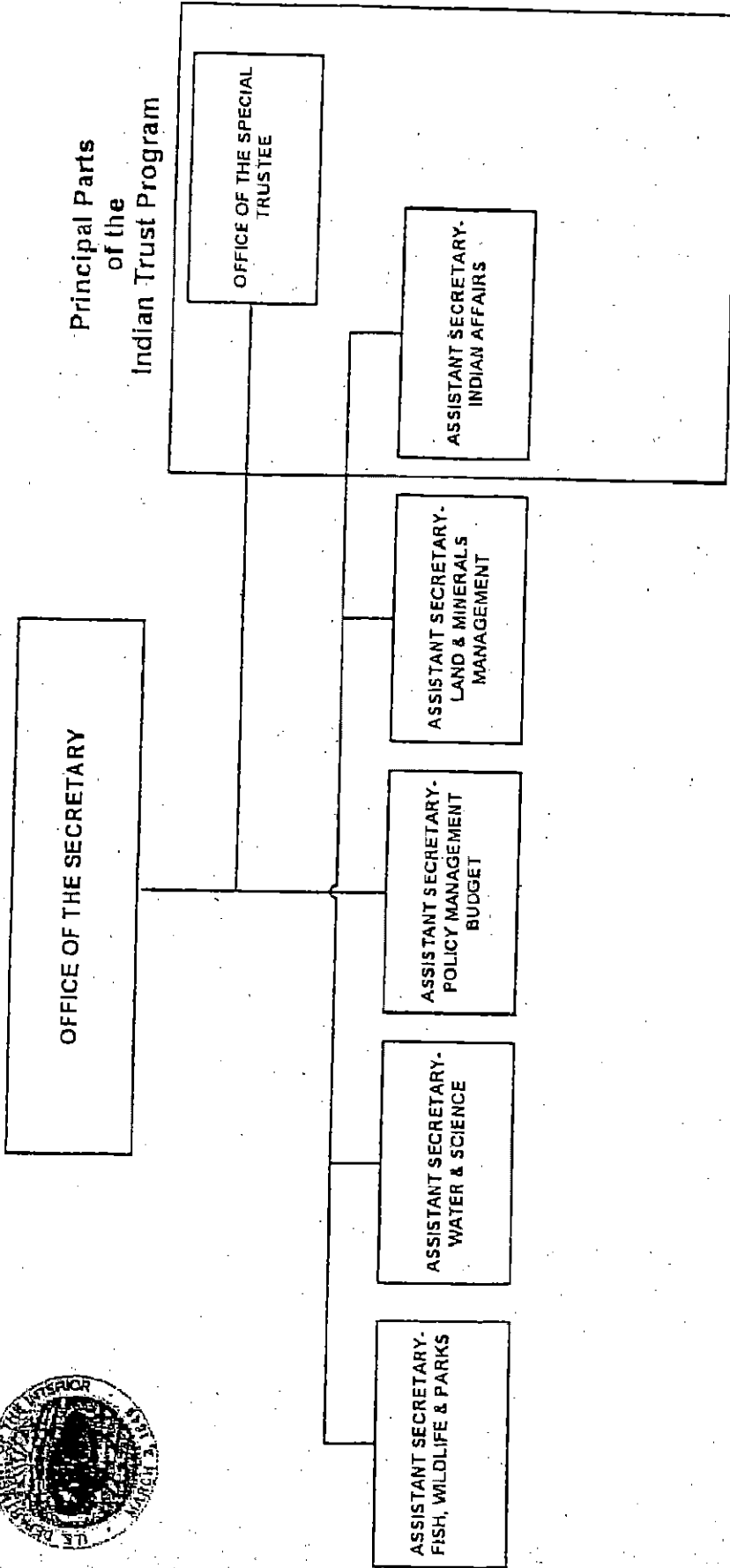
SECRETARIAL DECISION DOCUMENT



**DEPARTMENT OF THE INTERIOR**

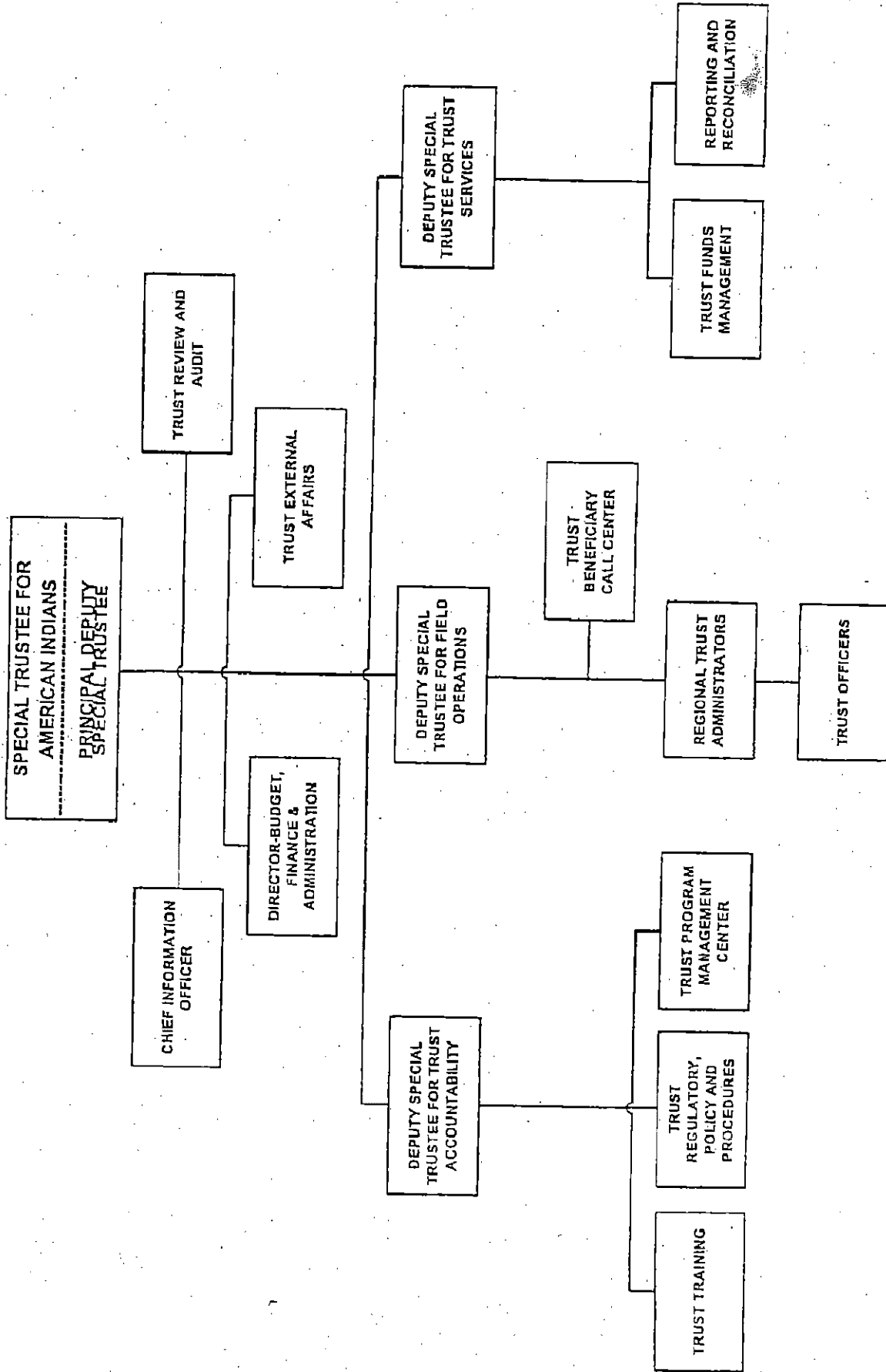


**Indian Trust Programs: Organizational Approach**

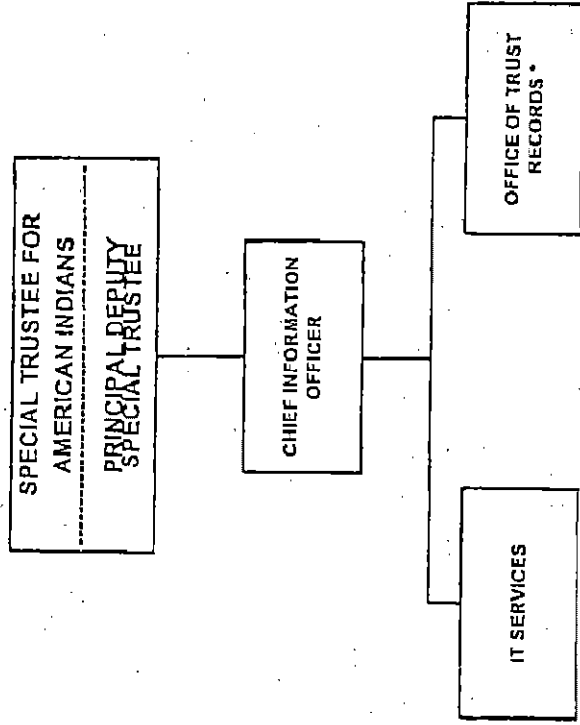




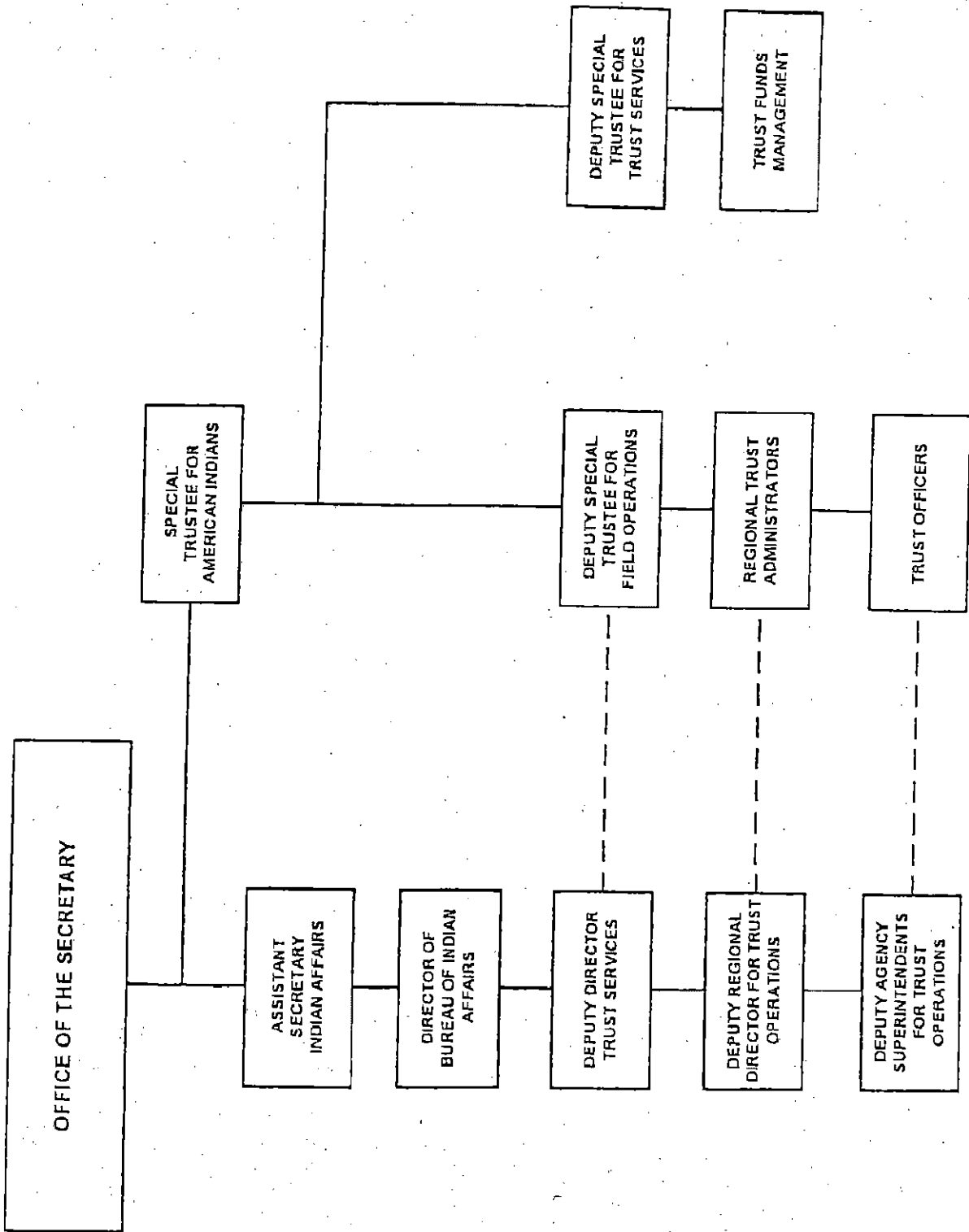
Office of the Special Trustee for  
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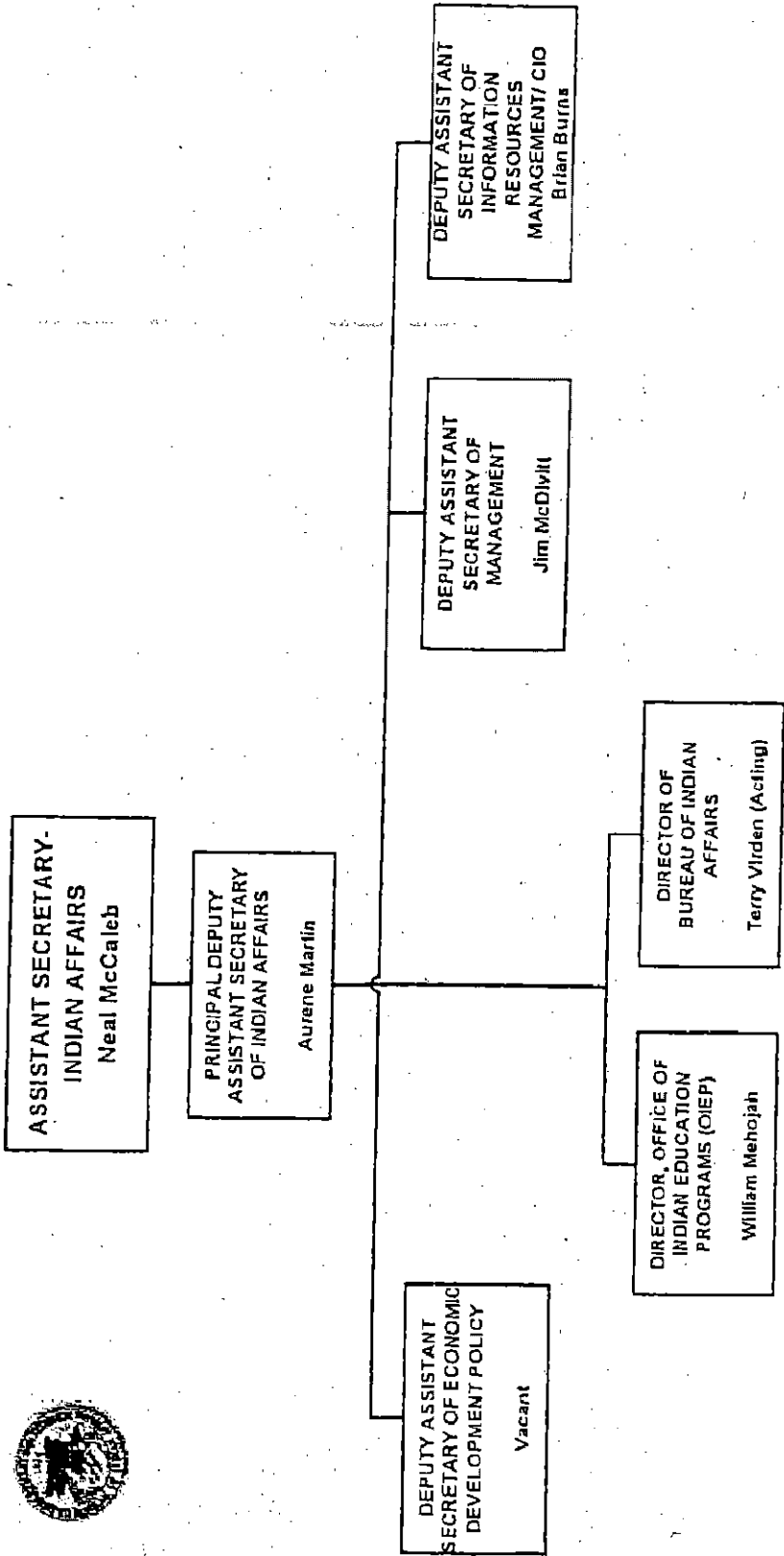


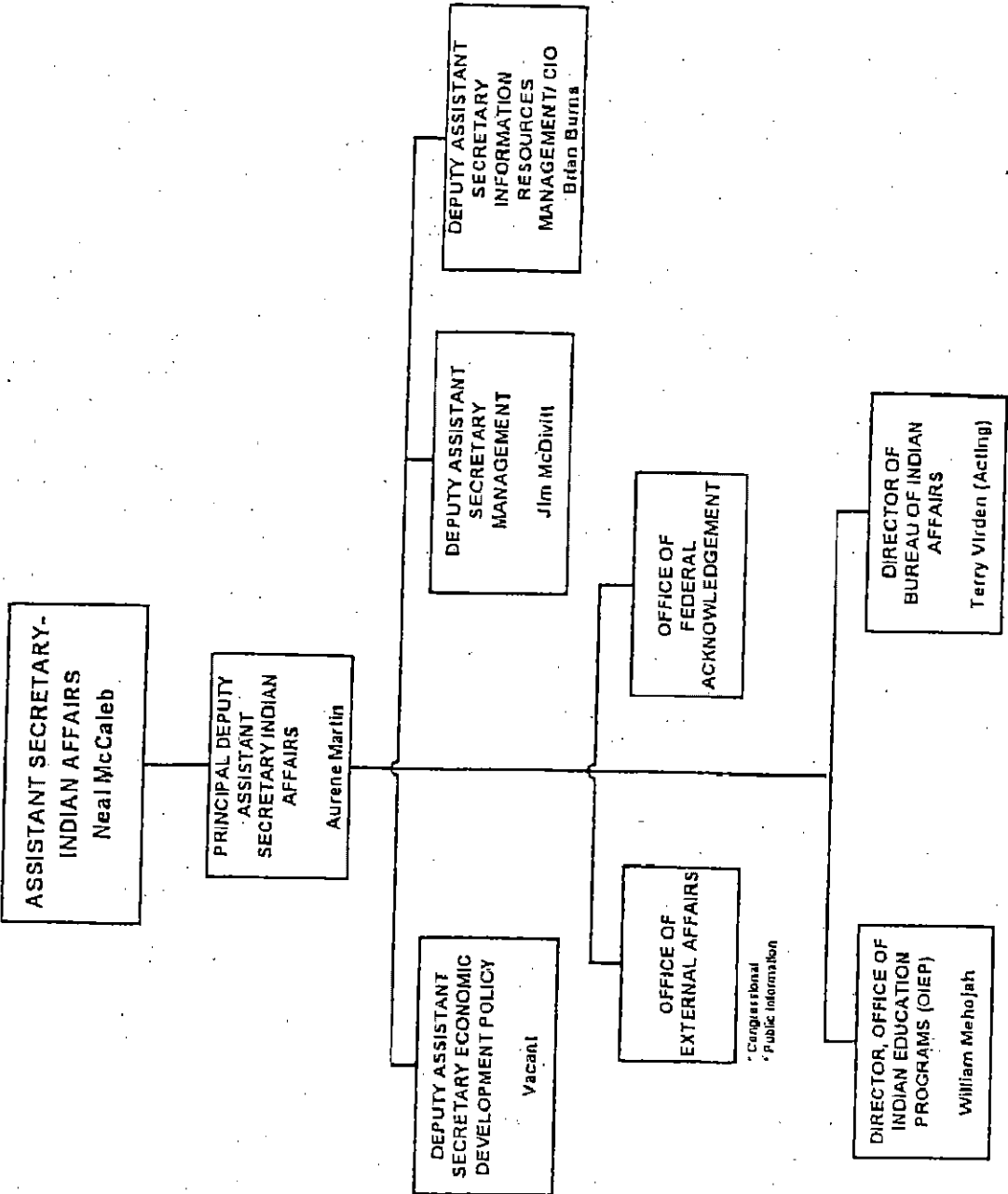
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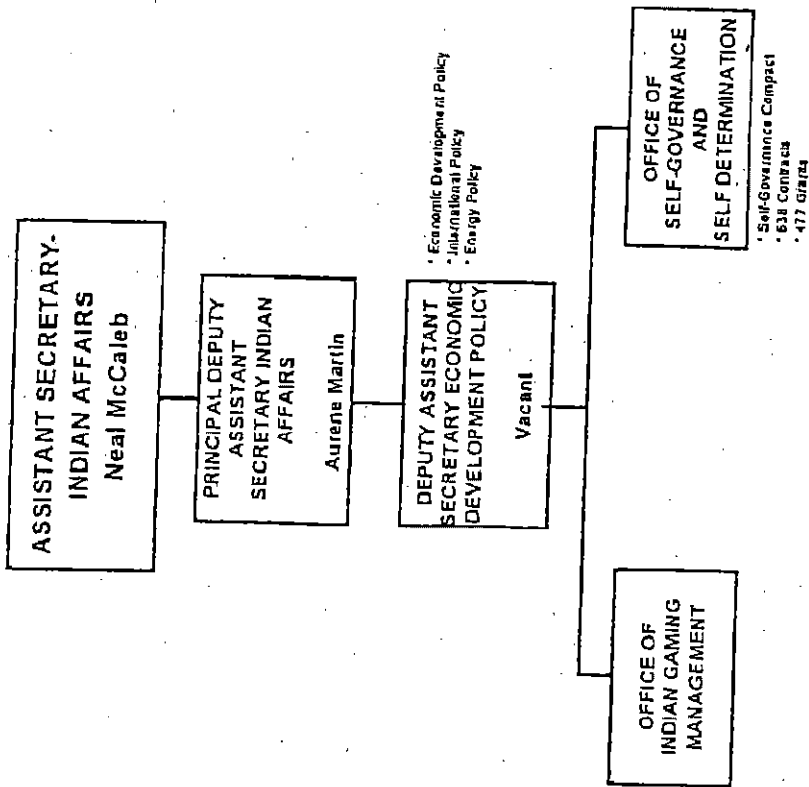


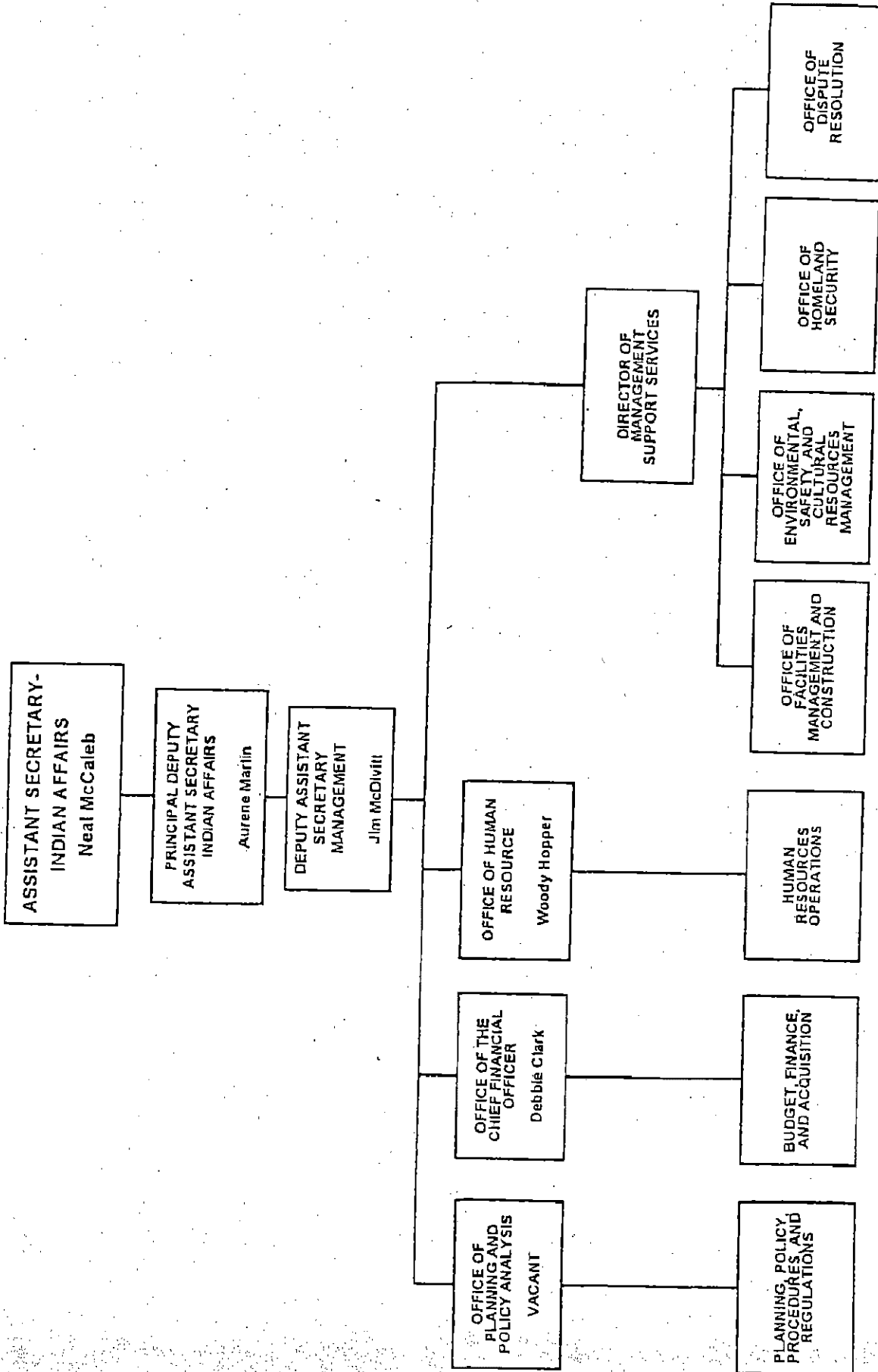
\*Temporarily under the direct supervision of  
the Office of the Deputy Secretary



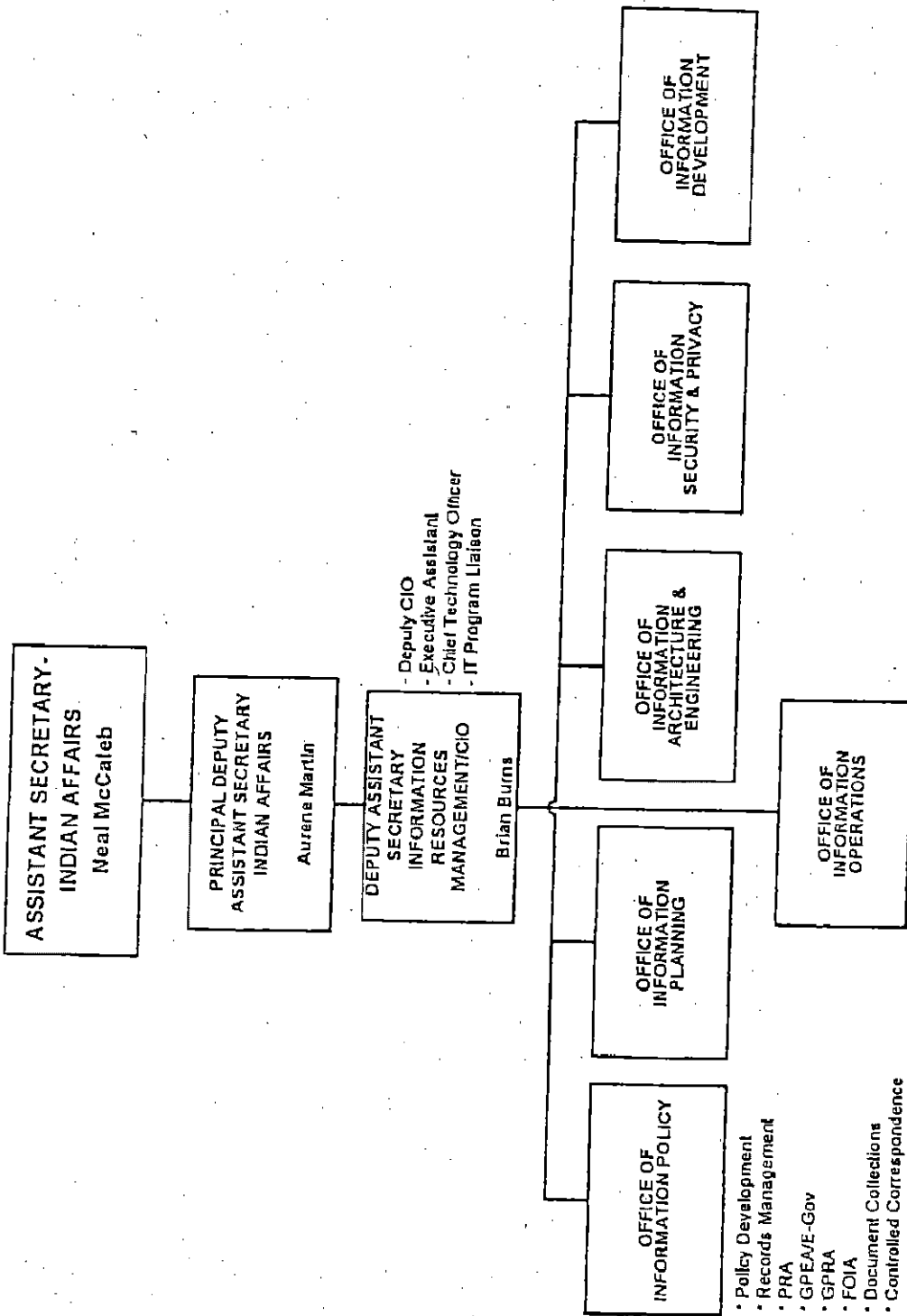






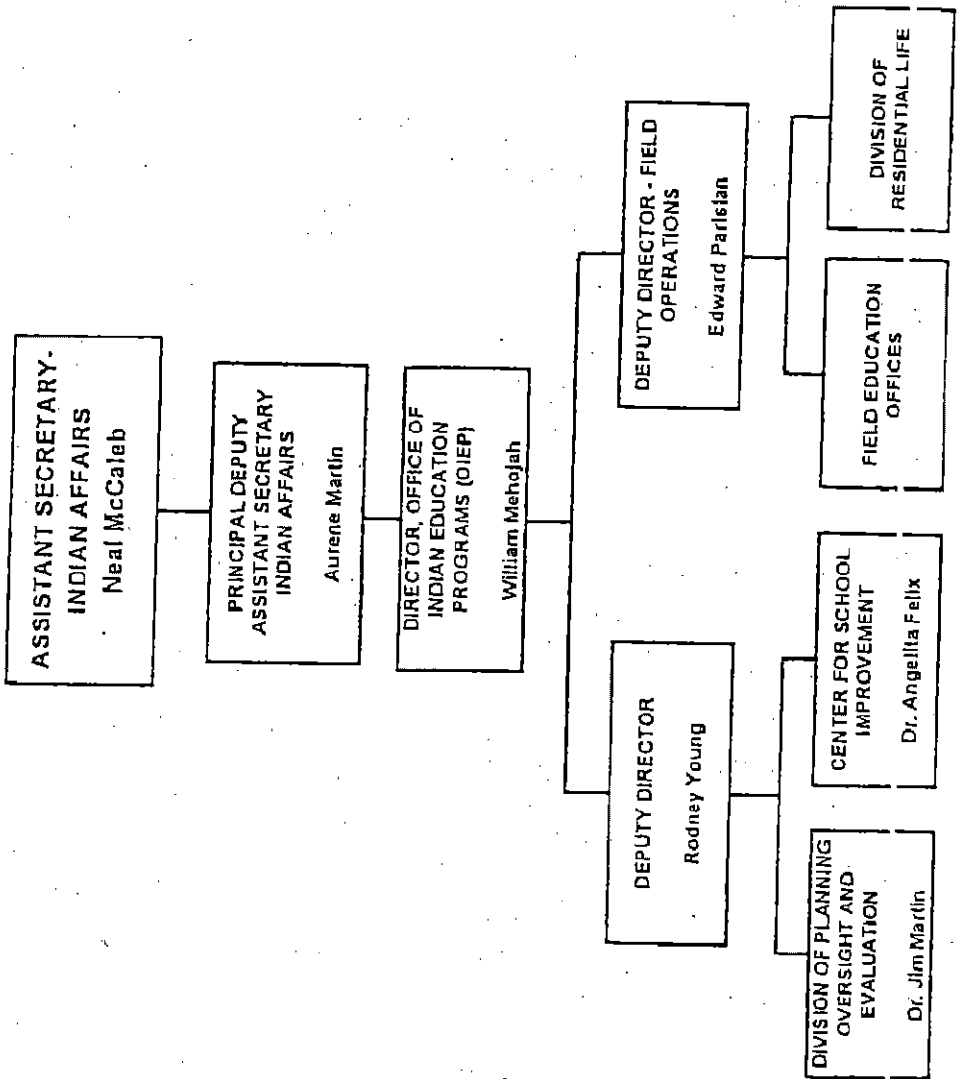


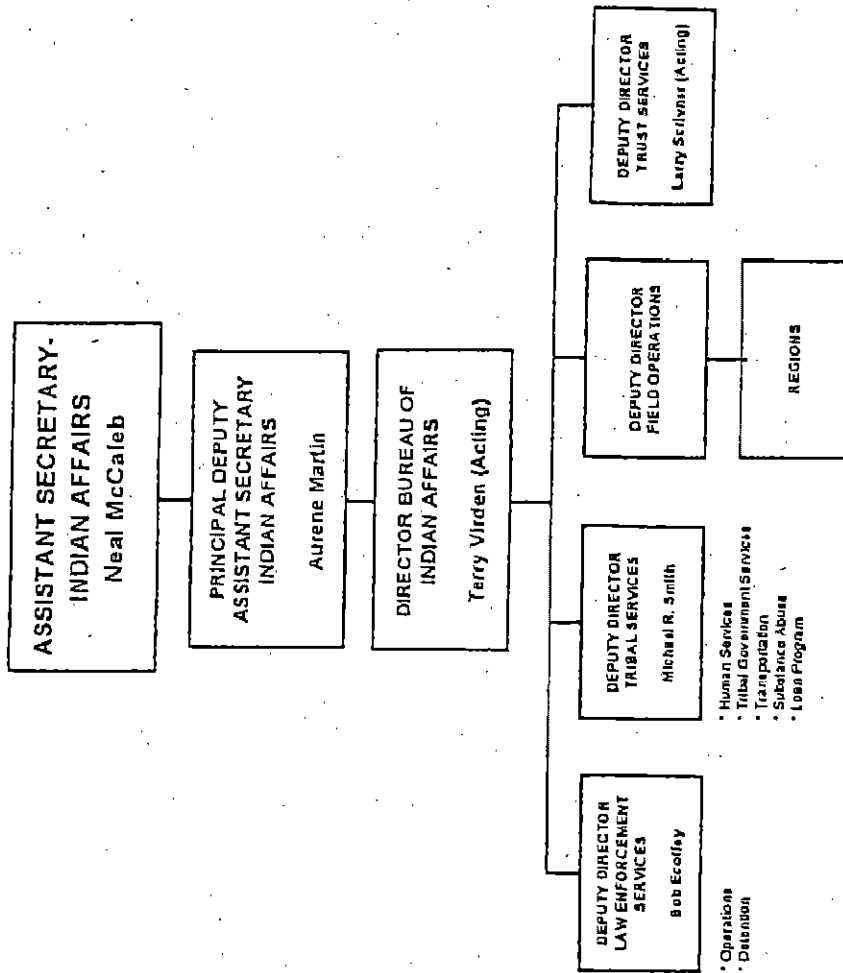
NOTE: Field personnel performing these duties report directly to these offices.

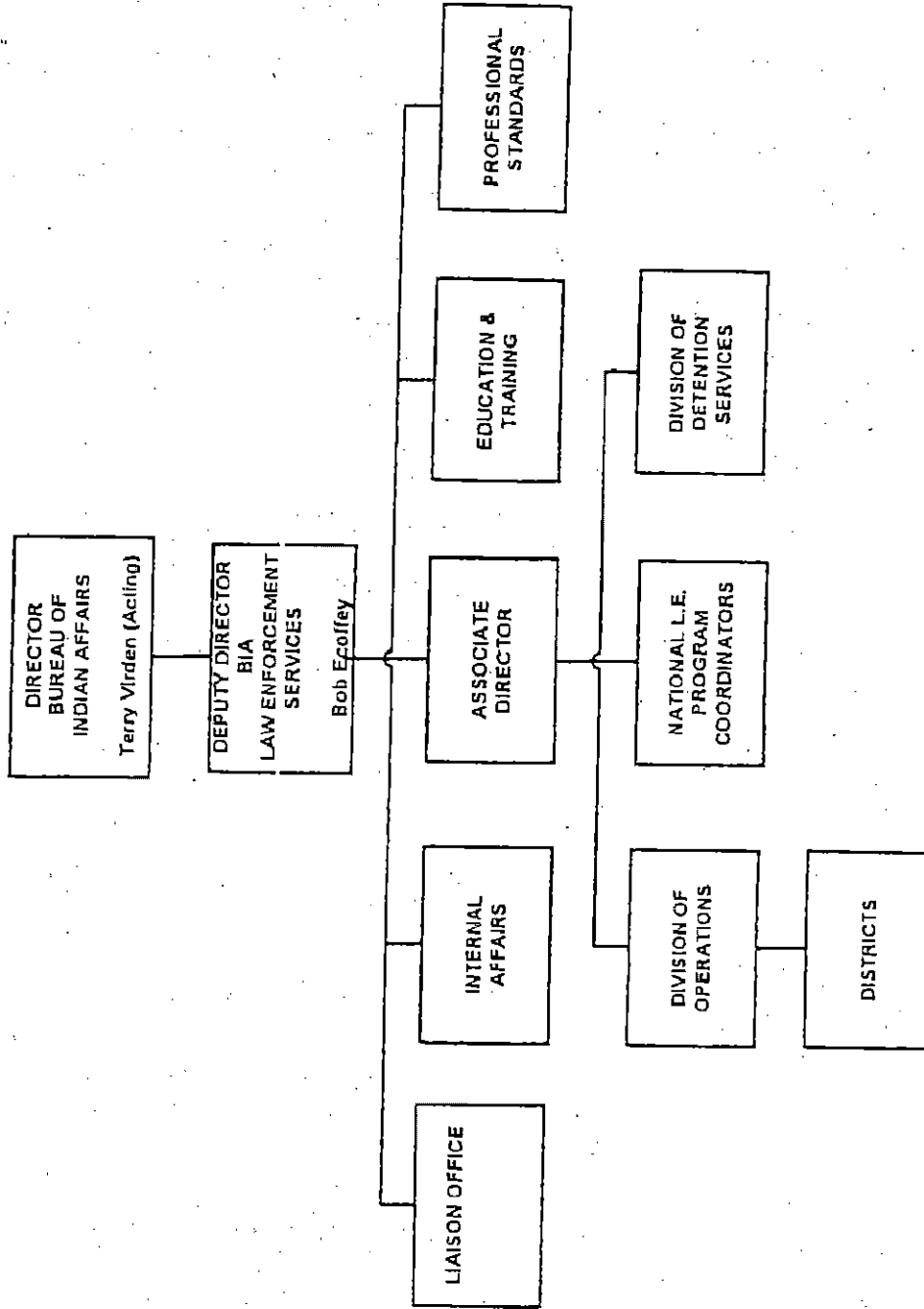


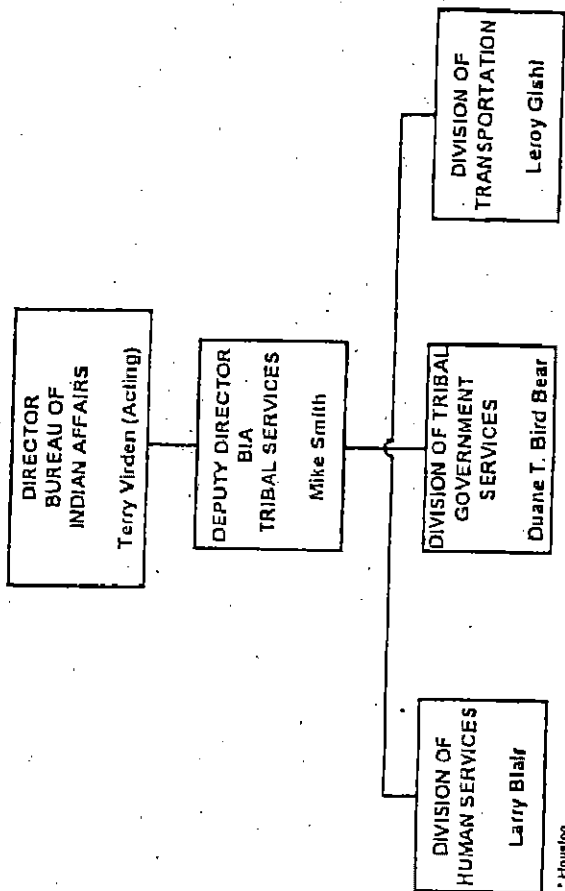
NOTE: Field personnel performing these duties report directly to these offices.

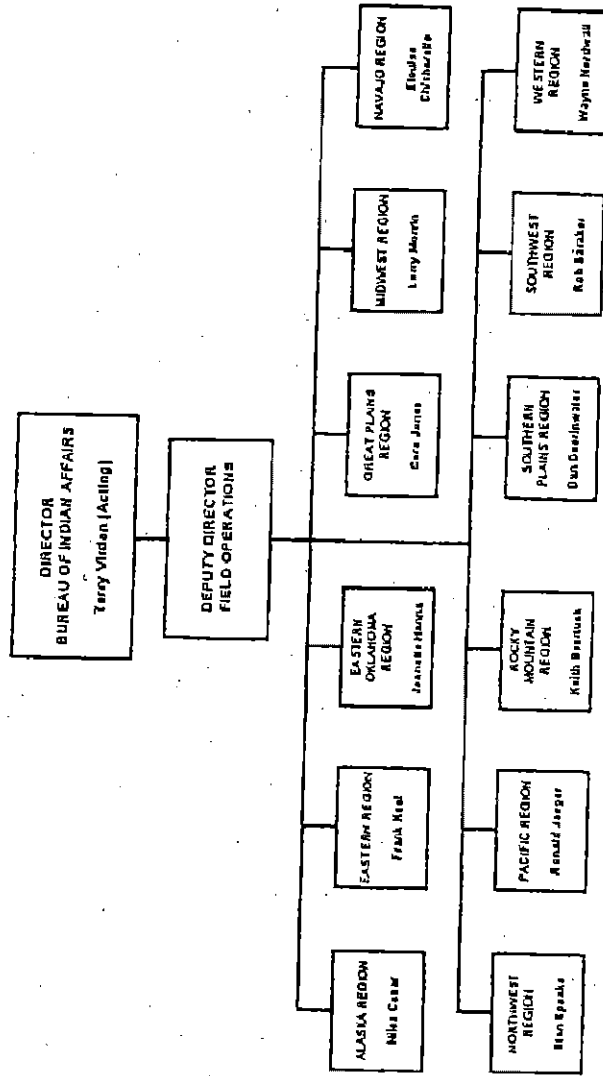




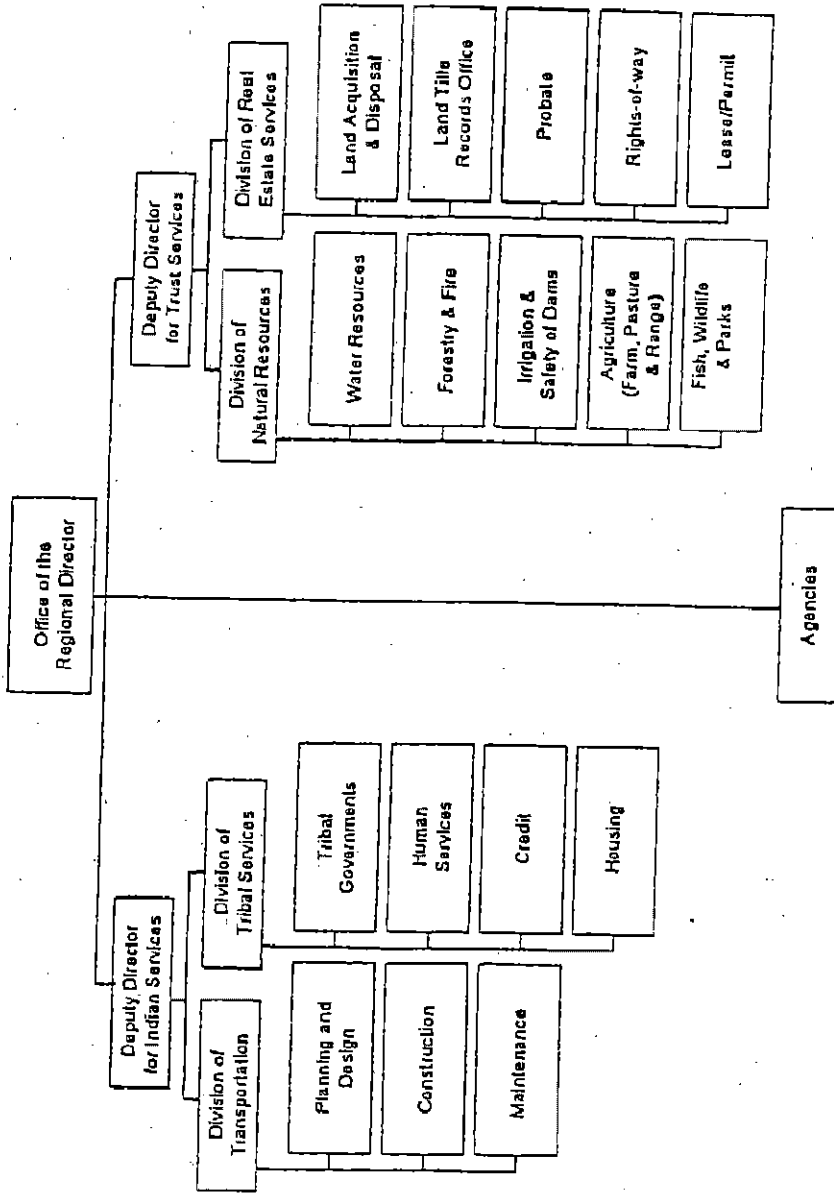








**TYPICAL REGION**



TYPICAL REGION/AGENCY

