

**Strengthening
the Circle
Interior Indian Affairs
Highlights
2001-2004**

**Trust Performance • Self-Determination • Self-Governance
Educational Excellence • Economic Development**





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Message from the Secretary

I am pleased to present this publication of the U.S. Department of the Interior's activities and accomplishments toward improving the lives of American Indians and Alaska Natives. From its start, the Bush administration has been firmly committed to American Indian and Alaska Native issues, working on a government-to-government basis with tribal leaders to promote self-determination and self-governance.

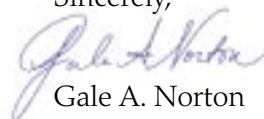
Because quality education is paramount for today's students to succeed in tomorrow's economy, this administration has invested more than \$1 billion in four years to construct, repair, and maintain Bureau of Indian Affairs funded schools. With the leadership of President Bush, the Department of the Interior is committed to leave no child behind.

We are working with tribal leaders to promote economic growth and prosperity and to build tribal institutions that lay the foundation for the future economic success of Indian Country. We have furthered energy, forestry, and irrigation projects, and we have provided guaranteed and insured loans for the establishment, acquisition, and expansion of new American Indian and Alaska Native business enterprises. Through our economic development summit, Indian entrepreneurs have heard the stirring success stories of established Native-owned companies.

Positive and productive trust reform has remained a high priority throughout the Bush administration. As the trustee for Indian lands and funds, Interior is committed to protecting trust assets and fulfilling our trust responsibilities to individual and tribal trust beneficiaries. Our trust budget for FY 2005 is double the FY 2001 funding, allowing us to progress toward 21st Century financial management capabilities. Significant reforms in trust management during the past four years have increased the professionalism, customer-service focus, and quality of beneficiary services.

I am proud of the significant strides we have made during my tenure. We will continue our work in areas where more remains to be accomplished. The Department embraces its mission to enhance education, prosperity, economic development, and safety across Indian Country to meet the important goal of improving the quality of life for all American Indians and Alaska Natives.

Sincerely,



Gale A. Norton



Executive Summary

This publication highlights the U.S. Department of the Interior's activities and accomplishments in the American Indian and Native Alaskan communities during the past four years.

Indian Education Programs

- FY 2004 funding reached \$526 million, an increase of almost \$34 million from FY 2001.
- Interior concluded a successful negotiated rulemaking in 2004 with Indian tribal leaders regarding the new "No Child Left Behind" legislation, reaching consensus on how "adequate yearly progress" would be measured for BIA-funded schools.
- Between 2001 and 2003, BIA's early childhood Family and Child Education (FACE) program added 17 schools to its roster and serviced almost 11,000 students and parents.
- Since FY 2001, more than a billion dollars has been spent for school construction and renovation projects.

Fiduciary Trust Programs

- For the first time, Interior has placed Fiduciary Trust Officers at the local level, whose sole purpose is to address beneficiaries' trust issues.
- Interior completed the first Comprehensive Trust Management Plan, articulating its strategy for managing and reforming how it carries out its fiduciary trust responsibilities.
- \$80M has been spent on information technology systems to protect trust data Interior-wide.
- The new American Indian Records Repository can store 250,000 boxes of records in a world-class, archival-quality facility.
- From January 2003 through August 2004, Interior's new electronic indexing project indexed approximately 82,000 boxes of inactive Indian records.

- Between 2002 and 2004, Interior has reconciled and distributed more than \$35 million of special deposit account monies to their rightful owners.
- Since 1999, the Indian Land Consolidation pilot program has acquired almost 100,000 fractional allotment interests representing over 70,000 acres.

Economic Development and Tribal Services

- Since 2001, funding for BIA's Mineral Assessment Program increased by over \$3 million, boosting program projects from 15 to 150.
- Since 2001, the number of acres treated for wildland fire has grown by 56 percent with 24,500 acres of Wildland Urban Interface Projects and 96,260 acres of fire-prone areas treated through August 2004.
- Significant water rights settlements achieved during the past four years include settlements with the Zuni Tribe and the Shivwits Band of Paiute Indians.
- Increased funding during FY 2002–03 supported BIA-initiated inventory updates on almost 10 percent of Indian rangelands.
- BIA's Loan Guarantee and Insurance Program generated over 5,000 jobs during the past four years.
- Interior's Fish and Wildlife Service awarded 53 grants for \$9 million in 2004 to Indian tribes to enhance Indian wildlife management.

Law Enforcement and Security Programs

- Since FY 2001, the BIA Office of Law Enforcement and Security budget has realized an 11 percent increase to its current level of \$172 million.
- BIA law enforcement has worked extensively with local communities to build positive working relationships to improve conditions within the communities by introducing successful programs, such as the child safety program Operation Stranger Danger; the nationally recognized Drug Abuse Resistance Education (DARE) and Gang Resistance Education and Training (GREAT) programs; and the Traffic Safety Initiative.
- Significant operations during the past four years have been undertaken that have resulted in the prosecution of arsonists, gang members, and drug dealers.

Commissions and Boards

- Since January 2003, the National Indian Gaming Commission developed and published the first government-to-government Tribal Consultation Policy, and has conducted consultation meetings with over 130 separate gaming tribes and several national, regional, and state intertribal associations.
- The Indian Arts and Crafts Board is implementing and enforcing the Indian Arts and Crafts Act of 1990, a truth-in-advertising law that provides criminal and civil penalties for marketing products as "Indian-made" when they are not made by Indians.



Indian Education Programs

During the last four years, Interior has heightened its commitment to the education of American Indian children and adults. Interior supports an educational system across 23 states on 63 Indian reservations that is composed of 184 elementary, middle, and high schools; 2 BIA-operated postsecondary institutions; and 26 tribal colleges and universities.

Interior's Bureau of Indian Affairs (BIA) is one of only two agencies in the federal government that manages a school system. In administering its educational programs, BIA is cognizant of tribal needs for cultural and economic well-being, and recognizes the tribes and Alaska Native villages as diverse and distinct cultural and governmental entities.

Ninety-eight percent of funding provided to Interior for education of American Indians is passed directly to the schools and to the tribal authorities that manage schools through contract and grant programs. This funding provides for salaries for educators and administrators, maintenance of school facilities, student transportation and boarding, and instructional materials. In FY 2004, this funding amounted to \$520.6 million, an increase of almost \$32 million from FY 2001.

The Bush Administration made a promise to improve the education of American Indians. Today, the fruits of that promise can be seen by improvements in student performance, educational funding, and school facilities.

IMPROVING STUDENT PERFORMANCE

No Child Left Behind

In its capacity as a State Education Agency, BIA is legally responsible for providing about 46,000 students a quality education that is equal to the education other students receive throughout the country.

Interior concluded a successful negotiated rulemaking in 2004 with Indian tribal leaders regarding the new "No Child Left Behind" legislation.

"I enjoy this program because it teaches me to be a better parent and helps me spend more time with my children. The program is also helping me get my education—the one I thought I didn't need."

—Evangeline Anna Apache Gomez, Mescalero Apache, speaking about the Family and Child Education program

Consensus was reached on how “adequate yearly progress” would be measured for BIA-funded schools. Application of this methodology will allow BIA to track its students’ progress.

Family and Child Education Program

Research shows that students who are behind at grade three lag behind other students’ achievement throughout their schooling. BIA has focused on improving early childhood education through its Family and Child Education (FACE) program, which is available at 39 pre-K–3 schools—an increase of 17 schools since 2001. FACE also offers adult education to strengthen literacy skills, along with providing assistance support activities. FACE is supplemented by 61 “Baby FACE” programs, which prepare students from birth through age three for entry into kindergarten and early school grades. These programs, combined with the Imagination Library partnership program, provide reading resources to parents or guardians with young children and support families with one-on-one counseling to improve early reading aptitude and school preparation.

Between 2001 and 2003, FACE provided services to almost 11,000 students and parents. Vice President Cheney’s 21st Century Summit on Best Practices to prepare adults for success in the 21st century recognized FACE as a leader in early childhood and adult education.

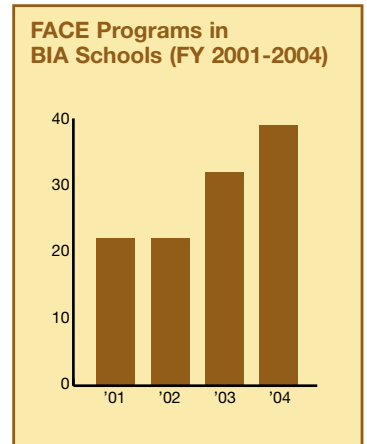
FOCUS Schools

BIA has introduced a number of other innovative programs to address the needs of Indian students, particularly younger students in elementary schools. Most recently, the FOCUS program, which concentrates on the lowest-performing schools, has demonstrated that schools can dramatically improve if provided the resources and guidance needed to enhance efficiency.

Five schools on the Navajo Reservation, where student performance was below expectations, were entered into a pilot program designed to give teachers and staff additional training on using data to refine their instructional programs. These schools raised student performance significantly. The FOCUS program will reach five additional schools in 2004.

Reading First

BIA received a “Reading First” grant from the Department of Education for a total of \$30.4 million over the next six years. So far, BIA has distributed \$4 million to 24 schools that represent the geographic diversity of BIA-funded schools. Extensive professional development is provided to improve reading achievement through scientifically based reading programs for grades K–3. All teachers are trained to collect data (using a Palm Pilot through a wireless system) to obtain real-time evaluation results.



Between 2001 and 2003, the Family and Child Education (FACE) program provided services to almost 11,000 students and parents.





During the summer of 2004, BIA provided on-the-job training for a number of college interns in a variety of professions.

“With the support of BIA, our school board, and staff, Tohaali’ Community School has turned around from failing to succeeding, exemplifying a school where students learn today to lead tomorrow.”

—Delores Bitsilly, Principal of Tohaali’ Community School

This fall, 15 students enrolled in a records management program at Haskell Indian Nations University.



Leadership Academy School Program

In August 2004, BIA consulted on a new initiative—the development of a Leadership Academy School Program. This innovative program is being considered for implementation on a pilot basis in the near future and will use a model being developed with a group of exceptional Indian school principals. In fostering leadership and achievement, the school(s) will be dedicated to overcoming the many obstacles Indian students face in completing high school and going on to postsecondary programs.

Postsecondary Educational Opportunities

Forestry Cooperative Education

BIA’s Forestry Cooperative Education program annually recruits 20 promising young American Indian and Alaska Native students enrolled in secondary schools, tribally controlled community colleges, and other postsecondary or graduate schools for future employment as professional foresters or other forestry-related employees of BIA, tribes, or tribal forest-related enterprises. In exchange for BIA payment of all costs for tuition, books, and fees, co-op students work one year in a part-time professional capacity for each year of education received. Students can satisfy this commitment by working for BIA, a tribe, or a tribal forest-related enterprise.

Water Resources Technical Training

Since 2001, more than 164 students from more than 125 tribes have graduated from BIA’s water resources technician training program. The program, which is offered at New Mexico State University in Las Cruces, as well as in remote on-site locations, aims to alleviate the shortage of technical expertise on Indian reservations, and to enable tribal governments to become self-sufficient and increase economic growth through better management and use of their water resources.

Records Management

This fall, at Haskell Indian Nations University, 15 students enrolled in a records management program that was established by an agreement between the Secretary of the Interior and the Archivist of the United States to create the American Indian Records Repository. Students will work with the National Archives and Records Administration and Office of Trust Records staff to become qualified to provide records management services.

INCREASING EDUCATIONAL FUNDING

Expanded Accreditation

Tohono O'odham Community College (AZ) and Saginaw Chippewa Tribal College (MI) are the newest among institutions accredited under the Tribal Community Colleges and Universities (TCUs) Assistance Act. The progress that TCUs have made in preparing students for success in life has led to increases in funding for TCUs from \$38.1 million in FY 2001 to \$48.6 million in FY 2004.



Postsecondary and Adult Education

BIA provides funding directly to education programs sponsored by tribes through the Tribal Priority Allocation (TPA). This funding is helping approximately 2,000 adults annually improve their literacy skills and complete requirements for their GED. Since 2001, thousands of adults have benefited from these programs. The TPA also awards scholarships to over 1,000 students to attend postsecondary education programs, primarily at TCUs.

Postgraduate Grants

Since FY 2001, BIA has increased the number of awards of scholarship grants to Indian students seeking postgraduate degrees from 250 to almost 450, with the average award now reaching \$3,350. Funds are also provided to the summer Law Institute for American Indians for a preparatory course for Indian students entering the field of law. The number of Law Institute scholarships during the 2001–04 academic years has increased annually from 270 to 390 and will continue to increase.

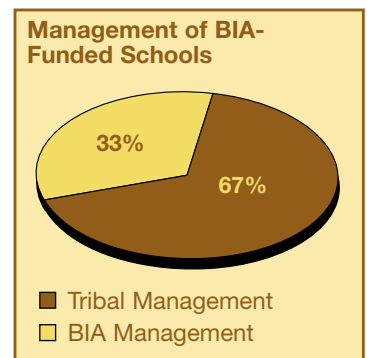
Assistance to Public Schools

The Johnson O'Malley program distributes supplemental funding to public schools serving Indian students who apply for assistance by providing additional support (e.g., tutors, extended hours). Over 250,000 American Indian students every year benefit from this program. Other locally designed education programs are also offered through this funding to meet unique local tribal government educational needs.

Increased Tribal Management

Interior encourages tribes to assume management of their schools. During the last four years, additional tribal authorities have elected to operate BIA-funded schools under grant or contract provisions. By FY 2005, BIA expects to operate 60 schools, while tribal authorities will operate 124 schools—a net increase of five schools since FY 2001. This change provides for greater Indian self-determination, a key Interior strategic goal.

BIA has increased the number of awards of scholarship grants to Indian students seeking postgraduate degrees from 250 in FY 2001 to almost 450 in FY 2004, with the average award now reaching \$3,350.



During FY 2003, two-thirds of BIA-funded schools were operated by tribal authorities under grant or contract provisions.



BIA is currently undergoing a substantial network upgrade to enhance telecommunications systems and expand network capacity to better serve BIA schools.

IMPROVING SCHOOL BUILDINGS

Many Indian schools are located in isolated, remote, rural communities, posing greater challenges and requiring greater operational costs than those typically facing public school districts. The condition of many of them makes it exceedingly difficult for Indian children to get the quality education they need today to succeed in tomorrow's economy.

In FY 2000, the budget for school construction and renovations was \$133.2 million; by FY 2004 it had increased to \$295 million, for a total of more than a billion dollars over the past four years. Funding is allocated for replacement schools, advanced planning and design, employee housing repair, facilities improvement and repair, and the tribal school construction demonstration project. Over the past four years, 26 replacement schools/projects were begun across the breadth of Indian Country: Arizona (7), North Dakota (2), New Mexico (10), South Dakota (3), Washington State (2), and Mississippi (2). BIA has already completed seven of these and hopes to complete two more by the year's end. BIA has an approved list of the next 14 schools that will be scheduled for replacement. Further, 40 major facilities improvement and repair projects were funded between 2001 and 2004.

BIA is also currently undergoing a substantial network upgrade to enhance telecommunications systems and expand network capacity to better serve BIA schools. Upgrades to the Education Network are providing high-speed Internet to more K-12 schools and tribal colleges. All BIA schools are connected to the Internet.

Schools Benefiting from BIA Funding During 2001-2004

During the past four years, 26 schools across Indian Country have received BIA funding for new educational, school, and dormitory facilities. Work on two-thirds of these schools is in progress, and construction has been or is expected to be completed at year's end at the following schools:



The new Baca Dlo' Ay' Azhi Community School under construction.

Baca Dlo' Ay' Azhi Community School (NM)

Fort Wingate Elementary School (NM)

Holbrook Dormitory (AZ)

Lummi Tribal School (WA)

Paschal Sherman Indian School (WA)

Polacca Day School (AZ)

Santa Fe Indian School (NM)

Tiospa Zina Tribal School (SD)

Zia Day School (NM)

Outside Recognition

- In 2002, Charlotte Begaye, FACE coordinator for Fort Wingate Elementary School in Fort Wingate, New Mexico, won the Milken Family Foundation Educator Award and \$25,000 for her outstanding teaching.
- Gwendolyn Paul of the Blackwater Community School, near Coolidge, Arizona, was selected as the “Toyota Teacher of the Year” in 2002. Ms. Paul is the first American Indian to receive this prestigious award.
- Johanna Chess, also from Blackwater, was selected by the Phi Delta Kappa International Education Association as the Wal-Mart 2002 Teacher of the Year for Arizona.
- Cecelia Lucero of Laguna Elementary School, located at the Laguna Pueblo in New Mexico, was chosen as one of 32 teachers from over 185,000 national nominations to receive Disney’s American Teacher Award for SY 2002–03.
- The Bahweting School, in Sault Ste. Marie, Michigan, was selected by the U.S. Department of Education as a “Blue Ribbon School” for its outstanding student achievement for SY 2002–03.
- In 2003, Trina Cheatham, the technology specialist for the Choctaw Central Schools, located on the Choctaw reservation, was named the “Technology Teacher of the Year” for the state of Mississippi.
- The Riverside Indian School, an off-reservation boarding school in Anadarko, Oklahoma, was chosen in 2003 by the National Aeronautics and Space Administration to pilot a program that promotes careers in the math, science, information technology, and health care areas, with special emphasis on the space industry.
- In 2004, Maureen Lesky of the San Felipe Pueblo Elementary School was selected as one of two teachers from New Mexico who will participate in the Fulbright Memorial Fund Teacher Program to learn about and promote the culture of the Japanese people by spending time in Japan beginning November 2004.
- In New Mexico, the U.S. Green Building Council recognized the Baca Dlo’Ay’Azhi School as the first “green” building in the state for meeting the highest environmental standards.



Charlotte Begaye



Fiduciary Trust Programs

“We are striving to provide increased investment returns, accurate and timely account statements ... and an overall level of improved beneficiary services.”

—Ross Swimmer, Special Trustee for American Indians



For the first time, beneficiaries have federal employees whose sole purpose is to address their trust issues.

Interior has responsibility for what may be the largest land trust in the world, encompassing approximately 56 million acres. On these lands, Interior manages over 100,000 leases for individual Indians who own more than 10 million acres, and for tribes who own nearly 45 million acres. In FY 2003, the trust collected revenues from leasing, use permits, sales, and interest of approximately \$195 million for 240,000 individual Indian money (IIM) accounts, and approximately \$375 million for 1,400 tribal accounts. The trust also manages approximately \$2.9 billion in tribal funds and \$400 million in individual Indian funds.

Interior is strongly committed to high standards for managing its Indian trust land and natural resource responsibilities; delivering beneficiary services; managing its financial trust resources; and securing the necessary underpinnings for supporting its information technology and record-keeping responsibilities. As stated by Ross Swimmer, Special Trustee for American Indians: “We are striving to provide increased investment returns, accurate and timely account statements, greater protections to trust information, proper identification and valuation of trust assets, and an overall level of improved beneficiary services.”

ENHANCING BENEFICIARY SERVICES AND FINANCIAL MANAGEMENT

Improving Beneficiary Services

For the first time, beneficiaries have federal employees whose sole purpose is to address their trust issues. As part of its oversight and financial reporting responsibilities, the Office of the Special Trustee for American Indians (OST) continues to place Fiduciary Trust Officers at the local level to be the primary contact to interact with the Indian beneficiaries and to facilitate local decision making. Outreach meetings with beneficiaries are held to introduce the Fiduciary Trust Officers and explain their roles and offer assistance to beneficiaries. First-line supervisors for the Fiduciary Trust Officers are Regional Trust Administrators who have extensive trust background from

both the private and the government sectors. Furthermore, OST has developed an intensive training process to ensure employees delivering trust services are conversant with their trust responsibilities.

To improve the delivery of services to beneficiaries, OST will be implementing a Beneficiary Call Center. The nationwide, toll-free Call Center will enable beneficiaries to conveniently access information regarding their trust assets, check the status of a trust service, or update IIM account information. In addition to providing improved access to financial and resource management information, the Call Center is expected to greatly improve communications between Interior and Indian beneficiaries. The pilot Beneficiary Call Center is expected to be in service in early December 2004.

Management of Investment Portfolios

OST meets with tribal representatives to best determine investment objectives, constraints, and preferences in order to achieve the best return. OST manages investments of approximately \$2.9 billion of tribal trust funds and \$400 million of IIM funds. Over 80 tribal meetings and over 200 portfolio reviews were conducted during FY 2004. As a large institutional buyer, OST receives favorable rates, prices, and structures that compete with the private sector. In addition, OST uses the same computer systems as many commercial banks in accounting for these funds. Further, OST strives to meet or exceed the performance of the Shearson Lehman 1- to 5-year government bond index.

Comprehensive Trust Management Plan and Business Process Model

In 2003, Interior created the first Comprehensive Trust Management Plan, which articulates Interior's strategy for managing the programmatic reform of its fiduciary trust responsibilities and will guide the strategy's implementation. Consistent with this strategy, Interior reorganized the trust functions of BIA and OST to enhance the delivery of services to trust beneficiaries and the financial management of the trust resources.



The Office of the Special Trustee is headquartered in Albuquerque, New Mexico.

OST has developed an intensive training process to ensure employees delivering trust services are conversant with their trust responsibilities.



BIA's new modern computer center was opened in September 2003.



Concurrently, Interior meticulously developed an accurate, current trust business process model. This documentation of “As-Is” business processes has given Interior a comprehensive understanding of current trust business operations, an opportunity to identify needs and places for improvement, and an understanding of differences of practice among geographic regions.

After completing the “As-Is” phase review, Interior developed, with the help of many Indian representatives, detailed recommendations in 2004 for reengineering business processes and compared the “As-Is” and “To-Be” processes to determine what needed to be changed. In particular, where existing business processes vary from region to region, efforts were made to incorporate standardized processes. Also, Interior compared the “As-Is” and “To-Be” processes to standard industry practices. Interior will integrate the final “To-Be” model processes with universal support functions, such as records, training, and information technology (IT).

SECURING INFORMATION TECHNOLOGY

Interior is committed to protecting trust information and has invested \$80 million in improving its IT systems Interior-wide. In December 2001, a U.S. District Court ordered Interior to disconnect from the Internet all IT systems that housed or contained access to individual Indian data due to possible concerns over potential security breaches. Interior has made significant headway toward making its computer systems more secure from computer hackers and other threats, although four bureaus and offices remain disconnected from the Internet. The lack of Internet connectivity challenges Interior’s ability to deliver its services to Indian country as quickly and efficiently as possible, by impeding Interior’s work processes and ability to communicate effectively, both internally and externally.

Trust Computer Security Upgrades

In addition to ensuring the security of individual Indian and tribal accounts, BIA has performed massive security upgrades to computer systems, provided security training, certified systems, and enhanced overall network security. The environment is further improved by physical security upgrades. In addition, BIA-wide security awareness training was instituted in 2001.

The Wide Area Network upgrade and TrustNet modifications have created significant levels of security for Interior Trust organizations. TrustNet is the basis for Interior's Enterprise Systems Network.

Improved Technical Support

Interior completed transition to a new 24/7 Consolidated Network Operations Command Center/Security Operations Command Center in 2004. Also, BIA established a modern service center in 2003 to provide computer help and problem tracking. The center represents a clear and present value to tribes by prioritizing workloads, allowing regional support personnel to focus more effectively on business mission support, and ensuring that vital data reach the appropriate end users. High-tech telecommunications switches allow BIA to reduce its total networking costs, while increasing overall productivity.

Improved Trust Management Systems

BIA has several new trust management systems underway. For the first time, using ProTrac, Interior will have an automated system to track probate progress—information essential to properly managing titles and leases.

The Geographic Data Service Center instituted the Land Title Mapping System (LTMS) prototype to provide management and analysis of land ownership and trust data. LTMS generates spatial maps from data attached to Land Title Status Reports for each Indian landowner. With the development of this system, individual landowners can go to a Land Title and Records Office and obtain reports listing their land, surface, and subsurface ownership.

IMPROVING RECORDS MANAGEMENT

Locating and securing Indian records is central to the success of managing the trust. Interior has taken significant steps toward putting its records house in order.

American Indian Records Repository

In cooperation with the National Archives and Records Administration (NARA), the American Indian Records Repository (AIRR) in Lenexa, Kansas, was opened in 2004. All Indian tribes and individuals now can be assured that their records will be appropriately cared for. Previously, records from BIA were stored in regional centers across the country. Now, records from BIA, OST, and other Interior agencies with Indian records will be consolidated in AIRR. The new repository, which can store 250,000 boxes of records in an archival-quality facility, is one of only two archives in the world that already meet the NARA standards that will be in place in 2009.

Electronic Indexing of Records

Historically, researchers have had to manually comb through paper inventories to locate boxes of Indian records. In January 2003, Interior undertook a major project to index boxes of records and capture the information in an electronic database. The database provides a box index and a file-level index of all boxes. As of August 31, 2004, approximately 82,000 boxes of inactive Indian records have been indexed. When the project is completed, all Indian affairs records located in AIRR will be searchable using the Box Index Search System, which will be made available to all BIA and OST offices.

“AIRR is only the second facility in the world outside of the National Archives that meets the most stringent standards for archival preservation.”

—Tom Mills, Assistant Archivist for Regional Records Services, NARA



The new American Indian Records Repository can store 250,000 boxes of records in an archival-quality facility.

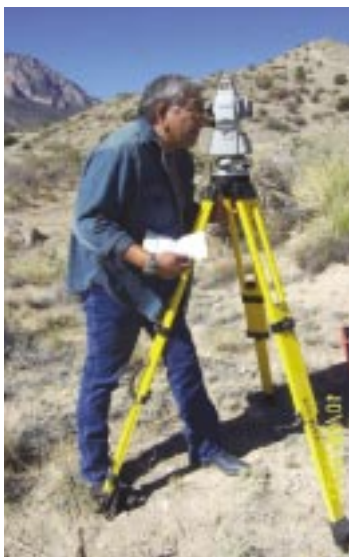
As of August 31, 2004, approximately 82,000 boxes of inactive Indian records have been indexed in an electronic database.



IMPROVING LAND AND NATURAL RESOURCE MANAGEMENT

Cadastral Surveys

Official land boundary, or cadastral, surveys are critical to the economic development of Indian Country, to the improved management of land in support of realty actions and trespass and boundary disputes, and to the protection of Indian cultural heritage. The Bureau of Land Management's Cadastral Survey Program performed 8,379 miles of cadastral surveys on Indian lands between FY 2001 and 2003. An Indian land inventory was created and prioritized, including a Cadastral Geographic Information System, and is resulting in a more efficient process for addressing needed cadastral survey services in Indian country.



The Bureau of Land Management's Cadastral Survey Program performed 8,379 miles of cadastral surveys on Indian lands between FY 2001 and 2003.

Land Titles and Records

The nine Land Titles and Records Offices provide for the ongoing trust responsibility of protecting and preserving trust lands and resources. Their mission is to maintain timely, certifiable federal title, encumbrance, and ownership services and to provide land title services that are accurate, timely, accountable, and efficient. This includes complete title, ownership, and encumbrance information for all federal Indian trust and restricted lands. These offices are also responsible for developing and implementing trust asset management systems, including quality assurance actions.

As an example of this work, BIA renegotiated for the conversion of an antiquated land title system to a new title system. It has been successfully deployed in the Rocky Mountain and Southern Plains Regions and is on schedule for the other regions.

CONDUCTING HISTORICAL ACCOUNTING

On January 6, 2003, Interior presented a plan to the District Court in *Cobell v. Norton* for the historical accounting of about 260,000 individual Indian money (IIM) accounts that were open from October 25, 1994, through December 31, 2000. Interior's plan would conduct the historical accounting by a combination of: (1) using transaction-by-transaction reconciliation methods (all transactions in certain account types); (2) reconciling all transactions over a certain dollar threshold; and (3) reconciling a statistical sample of lower dollar-value transactions. The work described in the plan will provide information on how much money was credited to each account and from what sources, the amount of interest credited to each account, and the disbursements made. Interior's assessment of the accuracy of the account transaction history and information regarding land assets as of December 31, 2000, was expected to take five years to complete, and was preliminarily estimated to cost about \$335 million.

For the approximately 21,500 special deposit accounts, Interior is pursuing a project begun in 2002 to distribute the funds to the proper owners and to close those accounts where appropriate. Through August 2004, more than \$35 million in the special deposit accounts has been reconciled and distributed to individuals and tribes.

Finally, Interior is also undertaking the historical accounting of certain tribal trust funds. Interior has already conducted a number of briefings for tribes and tribal organizations. These briefings are a first step in addressing unresolved or additional accounting issues, and are a prelude to anticipated discussions and negotiations with tribes to develop tribe-specific work plans for resolving the outstanding accounting issues.

CONSOLIDATING INDIAN LAND

Over time, the system of allotments established by the General Allotment Act of 1887 has resulted in the fractionation of ownership of Indian land. As original allottees passed on their assets to future generations, their heirs received an undivided interest in the allottees' lands. In successive generations, smaller undivided interests descended to the next generation. Today, there are approximately 3.2 million owner interests in the 10 million acres of individually owned trust lands—a situation whose magnitude makes



Since 1999, the Indian Land Consolidation pilot program has acquired almost 100,000 fractional interests representing over 70,000 aggregate acres.

management of trust assets extremely difficult and costly. These millions of interests will continue to expand, unless an aggressive approach to alleviating fractionation is taken.

Addressing the rapidly increasing fractionation on Indian land is critical to improving management of trust assets. Purchase of fractional interests increases the likelihood of more productive economic use of the land, reduces record keeping and large numbers of small-dollar financial transactions, and decreases the number of interests subject to probate.

Indian Land Consolidation Pilot

BIA conducted a pilot fractionated interest purchase program in the Great Lakes Region. The pilot has successfully demonstrated that large numbers of owners are willing to sell fractionated ownership interests, and that a purchase program can be administered at reasonable cost. The pilot has also taught valuable lessons about the need to target purchases to maximize return of land to productive use and allow closure of IIM accounts.

Since 1999, the pilot program has acquired almost 100,000 fractional interests representing over 70,000 aggregate acres. In FY 2004, the program expanded from the original three reservations to 16 reservations located within seven BIA Regions: Bad River, Lac du Flambeau, Lac Courte Oreilles, Red Cliff, Fond du Lac, Keweenaw Bay, Rosebud, Winnebago, Standing Rock, Quapaw, Quinault, Gila River, Pine Ridge, Navajo, Crow, and Flathead. Currently over 800 applications are pending, consisting of over 8,000 interests with a value of almost \$7 million.

In response to these findings, BIA is designing a nationally coordinated and targeted purchase program. This program will be managed by a small national program staff, and will use contractual arrangements with tribes or private entities to purchase individual interests on behalf of Interior. Interior has requested an unprecedented \$75 million to fund this program.



Economic Development and Tribal Services

Working closely with federally recognized tribes, Interior promotes economic development and an improved quality of life for 1.5 million American Indians in communities across Indian Country and Alaska. Dramatic developmental advances have come to Indian Country over the past four years in such areas as energy, minerals, forestry, water, agriculture, range and grazing, and wildlife and recreation. In the words of David W. Anderson, Assistant Secretary – Indian Affairs: “Thriving tribal economies create a dynamic synergy of jobs, financial resources, and a “can-do” attitude. More than ever, tribes and tribal members have the opportunity to engage in America’s free enterprise system. Thriving tribal economies not only strengthen tribal government, but also contribute significantly to a stronger America.”

The National Summit for Emerging Tribal Economies focused on ways to create jobs in Indian Country and to establish sustainable, market-driven tribal economies.

Interior has been involved in promoting the economic development of tribes in a variety of areas. Building sustainable tribal economies and creating jobs was the focus of the National Summit for Emerging Tribal Economies, which took place in Phoenix, Arizona, in the fall of 2002. More than 1,600 attendees from across Indian Country heard from and interacted with representatives from government and business offering insights and resources for improving economic conditions in tribal communities.

GUARANTEED AND INSURED LOANS

Providing guaranteed and insured loans to tribes, Alaska Natives, and individual Indian-owned businesses is an integral component of Interior’s efforts to stimulate and expand economic development in Indian Country and to reduce unemployment on Indian reservations. BIA’s Guaranteed Loan Program makes it possible for Indian economic enterprises



on or near reservations to obtain loans that they otherwise would not have been able to receive from private lenders. The default rate on these loans has been less than one percent since 1997, and over 90 percent of the businesses funded through this program have been successful. For example, in FY 2003, the full loan ceiling was used, with loans guaranteed for 64 businesses that created or sustained almost 1,550 jobs. Over the past four years, more than 5,000 jobs can be attributed to this program.

ENERGY DEVELOPMENT

Oil, Gas, and Coal

Oil, gas, and coal are valuable commodities, reaching into the millions of dollars for some tribes. They are also trust resources that must be properly managed. Energy and other mineral development agreements have become increasingly sophisticated and complex, requiring substantial analysis to determine if they are in the best interest of their Indian owners.

BIA oversees the exploration and development of over two million acres of actively developed oil, gas, and coal resources, and helps tribes and individual Indian landowners prepare for the potential development of an additional 15 million acres of energy and mineral resources. To facilitate the President's National Energy Policy, BIA is helping to expedite key energy and mineral resource development opportunities through the timely processing of joint-venture development and lease agreements, while ensuring consistency with its trust responsibilities for tribes and individual Indian allottees. BIA's Mineral Assessment Program (MAP) provides grants to tribes for gathering exploratory geotechnical data, interpreting the data, and obtaining other needed technical assistance. Funding

for MAP has increased by over \$3 million since 2001, boosting MAP projects from 15 to 150.

BIA has developed computer-based systems to evaluate mineral resource potential after mineral assessment data are gathered. The National Indian Oil/Gas Evaluation and Management System, completed in 2003, was designed under tribal self-determination guidelines as an easy-to-use computer system run by Indian resource managers to locate and display complex oil and gas information in map form concerning production, lease information, and well data. The system incorporates the National Indian Energy and Mineral Resources database, and is the primary data warehouse for Indian energy and mineral data. It consists of hard-copy report files, maps, logs, cross-sections, and digital data pertaining to the evaluation and assessment of undiscovered energy and mineral resources.

Energy development can occur on and off reservations. For example, in June 2002, Interior approved a request by the Southern Ute Indian Tribe to partner with the Trident Exploration Corporation in developing the Canadian company's natural gas leases in Alberta, Canada. The tribe is widely recognized for its success in extracting coal-bed methane gas and lent its expertise to Trident as part of its economic development strategy. In

BIA is helping to expedite key energy and mineral resource development opportunities through the timely processing of joint-venture development and lease agreements.





The wind potential map shows that 93 of 298 reservations have a high wind energy potential, with the majority of the reservations being in the western states.

accordance with its corporate charter, the tribe sought Interior's approval for the economic terms of the partnership—a tribal purchase of 4 million shares of Trident for \$15 million (CAN).

Power Production

Interior assists with the development of feasibility studies, detailed market assessment, examination of transmission access and interconnection issues, and site analysis for power plants. For example, the St. Croix Chippewa Indians of Wisconsin are currently developing a 40–45 megawatt peaking natural gas power plant project that will sell the power under a 20-year Power Purchase Agreement.

Renewable Energy

While renewable energy is an emerging aspect in U.S. energy development, most renewable energy projects have difficulty competing with more traditional energy production technologies. Several federal and state tax incentives are in place or are being proposed that will allow renewable power to be competitive with other energy sources. Further, seven states with Indian lands are governed by a renewable energy portfolio standard, which requires that a percentage of each utility's generation in the state come from some form of renewable energy.

Wind Energy

The wind potential map shows that 93 of 298 reservations have a high wind energy potential, with the majority of the reservations being in the western states (California, New Mexico, Nevada, Utah, Wyoming, Arizona, Montana, and North and South Dakota) and the Upper Midwest (Minnesota and Wisconsin). Since 2001, Interior funded three wind energy feasibility studies—Bad River Band of Chippewa Indians, Little River Band of Ottawa Indians, and the Chippewa Cree Tribe of the Rocky Boy's Reservation, each with similar wind energy potential.

Interior-supported Energy Projects

2001

Aggregate

Grande Ronde

Andesite Basalt

Nez Perce

Coal

Ute Mountain Ute Tribe

Geothermal

Fallon Paiute-Shoshone Tribe

Limestone, Basalt, Cinder, Commercial Fill Material, Iron Ore

White Mountain Apache Tribe

Oil & Gas

Alabama-Coushatta Tribe of Texas

Confederated Chilocco Tribes

Iowa Tribe of Oklahoma

Lower Brule Sioux Tribe

Pawnee Nation of Oklahoma

Thlopthlocco Tribal Town

Ute Mountain Ute Tribe

Precious Minerals

Ramona Band of Cahuilla Mission Indians

San Carlos Apache Tribe

Sand & Gravel

Lac du Flambeau Band of Lake Superior Chippewa

Sand & Gravel, Gypsum, Phosphate, Travertine

Shoshone & Arapaho Tribes, Wind River

2002

Coalbed Methane

Northern Cheyenne

Geothermal, Shallow Gas

Lower Brule Sioux

Limestone, Basalt

Nez Perce Tribe

Oil & Gas

Alabama-Coushatta Tribe of Texas

Blackfeet

Fort Belknap

Oneida Tribe

Ute Mountain Ute Tribe

2003

Biodiesel

Nez Perce Tribe

Biomass

Northern Cheyenne Tribe

Coal, Uranium, Clay

Resources Pueblo of Acoma

Engineering—Oil/Gas Fields

Jicarilla Apache

Gas

Oneida Nation

Geothermal

Pyramid Lake

Gravel

Fort Peck

Literature Review

Pascua Yaqui

Oil & Gas

Alabama-Quassarte (Creek Nation)

Cheyenne River Sioux

Comanche

Fort Berthold

Fort Belknap

Kaw Nation

Seismic Interpretation

Osage

Woody Biomass

Colville Confederated Tribes of Indians

2004

Biomass Demo Project

Warm Springs Tribe

Peaking Power Plant Project

St. Croix Indians of Wisconsin

Renewable Energy

Feasibility Study

Agua Caliente

Relicensing of a Hydropower Plant

Colorado River Indian Tribe

Solar

Skull Valley Band of Goshutes

Wind

Bad River Tribe of Chippewa Indians

Ewiiaapaayp

Biomass Energy

While almost all Indian lands have a form of biomass potential, from woody biomass and biodiesel and ethanol production from agricultural waste, to the growing and use of such energy crops as hybrid poplar, the biomass potential map identifies 118 reservations with high potential.

For example, with Interior FY 2003 funding:

- The Colville Confederated Tribes of the Colville Indian Reservation (WA) launched a large-scale biomass pilot project to determine the economic feasibility of utilizing its biomass resource, obtaining a healthier forest, and

producing energy sustainably in conjunction with President Bush's Healthy Forests Initiative.

- Northern Cheyenne (WY) has started the pre-construction phase of its biomass project to use small-diameter forest biomass to provide steam and electricity to manufacture a high valued-added, bio-based product from agricultural residue.
- The Nez Perce Tribe (ID) is developing a biodiesel fuel facility with the assistance of MAP funds. The tribe is negotiating long-term contracts with local farmers to increase their profitability by purchasing the rotation crops of soy, canola, and rape (soft oilseed that will be crushed and made into biodiesel fuel). The tribe will use the fuel as an energy source at its basalt and limestone quarry and to operate the plant. The plant is expected to create 450–470 direct and indirect jobs.

With Interior FY 2004 funding of \$196,735, the Warm Springs Tribe (OR) is conducting a due diligence study for a biomass electrical generating plant. If developed, the plant is expected to produce 15.5 MW of renewable energy, create 125 new, living-wage jobs, and preserve 135 existing jobs at the mill; clear wood waste that could fuel catastrophic wildfires; and demonstrate to other forest-resource tribes the viability of marketing "green" energy to local utilities and state and federal governments.

Solar Energy

Interior assists tribes with both large- and small-scale solar projects that are capable of providing electricity to tribal facilities and individual Indian homes, especially in the southwestern reservations. For example, with Interior's financial help the Skull Valley Band of Goshute Indians is completing a feasibility study on the development of a solar-driven electric power generation plant that will provide the power needs of the reservation and the tribal community center, create jobs, and generate excess power to sell off reservation. The long-term economic objective of the tribe and Interior is to develop a stable supply of electricity to the reservation.

Hydroelectric Power

There are a number of hydroelectric power systems in Indian Country. Interior achieved a precedent-setting settlement with Pacific Gas and Electric (PGE) and the Warm Springs Tribes of Oregon for the Pelton-Round Butte hydroelectric power project relicensing. PGE and the Warm Springs Tribes are co-licensees through an innovative business partnership for the operation of the hydroelectric project located on the Warm Springs Reservation. As part of the relicensing process, Interior developed special license conditions for the protection and utilization of the reservation.

Interior has also worked on the implementation of license conditions that were mandated or agreed to in settlements at five other smaller hydroelectric power plants. Some of these implementation activities involve conducting millions of dollars of project mitigation and natural resource restoration work annually.

At the Kerr Hydroelectric project on the Flathead Indian Reservation of Montana, the fisheries were essentially decimated by operational practices during the first fifty years of operation. As a consequence of monitoring and mitigation, these practices are no longer allowed. Additionally, advanced



Biologists and game wardens working with BIA's Wildlife and Parks program provide technical assistance for tribal fisheries, game, and other programs.

hydroclimate prediction methods, developed as part of the Drought Management Plan for Flathead Lake (a requirement in the Kerr project license), have proven so reliable that other hydroelectric operations are adjusting them for their use.

In addition to the hydroelectric projects, Interior oversees 16 irrigation projects and over 100 irrigation systems throughout Indian Country. These facilities irrigate over 1 million acres, create an approximately \$600 million agriculture economy, and generate approximately \$120 million a year. These revenues are returned to the individual projects to pay for operation and maintenance.



Computer-generated model of mineral quarry site development on Annette Island, Alaska.

Renewable Energy Assessments

Interior is working with the Agua Caliente Band of Cahuilla Indians located in Palm Springs, California, to prepare a strategic value analysis of the renewable resources on the Agua Caliente tribal lands. The project will include an assessment of their solar, wind, geothermal, and possibly biomass resources; an analysis of the applicable technologies and their economics; an investigation of regulatory issues; and an evaluation of environmental and cultural impacts to determine the feasibility of creating one or more businesses based on the resource.

MINERAL DEVELOPMENT

Solid minerals, other than coal, are also mined on Indian lands. Between 2001 and March 2004, tribes have earned more than \$25 million from projects that develop these resources. A new project that Interior has been actively involved in is with the Metlakatla Tribe in Alaska. The Bald Ridge Aggregate Project will mine rock that will then be processed into concrete aggregate, asphalt road base, riprap, jetty stone, and other products for shipment and use in Alaska and the U.S. West Coast. It is estimated this project will produce more than 200 million tons of rock over its 40-year life, generate about \$1 billion in revenue, and employ 60 tribal members.

During FY 2001–04, the Indian forestry program harvested almost 2.4 billion board-feet, directly generating nearly \$290 million to tribes and individual Indian landowners.

FOREST RESOURCE DEVELOPMENT



During FY 2001–04, the Indian forestry program, which represents the combined national BIA and tribal forestry programs, harvested 2.4 billion board-feet from Indian forest lands. That equates to an annual average of 600 million board-feet, enough to build over 30,000 residential homes a year.

During that same period, Indian timber harvests directly generated nearly \$290 million to tribes and individual Indian landowners. The indirect economic benefits, although not currently quantified, are substantial, and include: wages to tribal loggers, sawmill workers, and lumber truck drivers; profits generated by tribal forest product enterprises; energy production from forest woody biomass; and support of other local businesses by tribal worker forest-generated wages. An additional benefit of the Indian forestry program is the reduction of catastrophic fire risk by treating forest fuels during the harvest operations.

In the same four fiscal years that directly generated nearly \$290 million to tribes and individual Indians in timber revenue, the federal appropriation to operate the Indian forestry program was \$168 million. In addition, Indian tribes significantly reinvest in their forest land, both through the legislatively mandated forest management deduction program (usually 10 percent of gross timber proceeds) and through voluntary reinvestment in forest management activities. This results in a very successful partnership among tribes, individual Indians, and the federal government in the management of Indian forests.



Since 2001, the number of acres treated for wildland fire has grown by 56 percent.

Assessment

As required by the national Indian Forest Resources Management Act of 1990, beginning in 1991 and again every ten years thereafter, Interior must assess Indian forest lands and Indian forest land management practices. In his testimony before the Senate Indian Affairs Committee in 2004, Dr. John Gordon, head of both assessments to date, stated: "... on the whole, the management of Indian forests is different and better than it was ten years ago, largely through the efforts of dedicated tribal and BIA resource managers and staff."

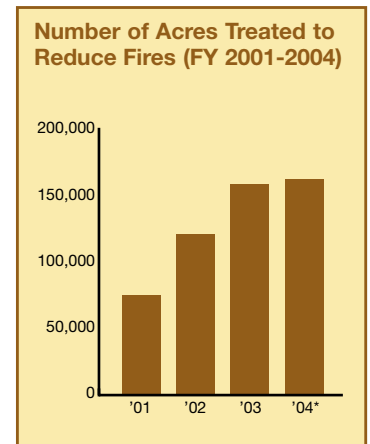
Fire Management

An important aspect of forest resource development is wildland fire management. Since the introduction of the National Fire Plan in 2000, Congress has appropriated substantial funding for wildland fire programs, including pre-suppression, equipment, suppression, fuel treatments, and rehabilitation. Since 2001, the number of acres treated for wildland fire has grown by 56 percent.

In particular, Interior's focus and attention has been directed over the last few years toward thinning fire-prone areas. The recently passed Healthy Forests Restoration Act has translated into BIA's treating over 25 percent more acres in 2003 than in 2002. In 2004, 24,500 acres of Wildland Urban Interface Projects acreage and 96,260 acres of fire-prone lands were treated.

Fuels treatment efforts undertaken by the Round Valley Indian Tribe proved instrumental in stopping a catastrophic fire near the Mendocino National Forest (CA) in August 2001. The Medicine Fire started in the foothills near the edge of the Round Valley Reservation on a hot afternoon and spread rapidly uphill, consuming approximately 70 acres until state and local firefighters, with the aid of air support, were able to stop the blaze on a recently constructed fuelbreak. Without the Perry Ridge fuelbreak, the fire could have spread to over a thousand acres, consuming valuable timber and impacting watershed resources.

During the past four years, Interior assisted 208 rural and volunteer fire departments with \$1.3 million in funding and completed 41 projects under Emergency Stabilization and Rehabilitation, encompassing 216,000 acres, at a



**As of September 15, 2004, BIA had treated 160,000 acres to reduce catastrophic wildland fires.*

"On the whole, the management of Indian forests is different and better than it was ten years ago, largely through the efforts of dedicated tribal and BIA resource managers and staff."

—Dr. John Gordon,
in testimony before the Senate
Indian Affairs Committee



Interior provides funds for technical research and studies related to the preparation and defense of tribal water rights claims, including the determination of surface- and ground-water supplies.

“It [the water rights settlement] will help us to preserve our religious traditions by ensuring that the Zuni will continue to make pilgrimage to the lands our ancestors call home.”

—Wilford Eriacho, Chairman of the Zuni Tribe’s Water Rights Negotiating Team

cost of \$20.1 million. The National Interagency Fire Center in Boise, Idaho, provides direction and coordination to all BIA activities associated with fire protection and management on approximately 61 million acres of land.

WATER DEVELOPMENT RIGHTS

Interior’s long-term strategic goal in this area is to assist tribes with establishing and defining water rights and settling claims through negotiation and litigation. Funds are used for technical research and studies related to the preparation and defense of tribal water rights claims, including the determination of surface- and ground-water supplies, identification of arable lands, analysis of historical water use, assessment of fish and wildlife requirements, and the examination of the amounts of water required for irrigated agriculture and the related engineering and economic studies for water delivery.

Program dollars support the work of both BIA personnel and individual Indian tribes associated with these efforts. During 2004, for example, approximately 20 teams are involved in ongoing negotiations for quantification of water rights reserved for tribal trust lands. These efforts require ongoing coordination and consultation with the affected tribes. Program dollars also support approximately 150 projects related to water rights.

In the past few years, there have been many noteworthy successes. For example, the Zuni Indian Tribe Water Rights Settlement Agreement, which Congress ratified and confirmed on June 23, 2003, resolves claims associated with the Zuni Heaven Reservation in the Little Colorado River Basin of northeastern Arizona. The tribe will be entitled to purchase annually up to 3,600 acre-feet of surface water rights, in addition to existing surface water rights on the Zuni Heaven Reservation. The settlement also recognizes the tribe’s right to annually withdraw or use up to 1,500 acre-feet of ground water from wells on specified Zuni lands.

The settlement will provide \$19.2 million from a Zuni Indian Tribe Water Rights Development Fund for restoring streams and wetlands as close as possible to their original condition, which will necessitate acquiring state-based water rights from willing sellers. The federal government will contribute the bulk of the funds; the state of Arizona will contribute \$1.6 million to the

Tribes Receiving Land and Water Settlement Funding: 2001–2004		
Aleutian Prilof	Pueblo of Santo Domingo	Ute Indian Tribe of the Uintah and Quray Reservation
Cherokee	Pyramid Lake Paiute Tribe	Ute Mountain Ute
Chickasaw	Shivwits Band of Paiute Indians	Walker River Paiute Tribe
Chippewa Cree Tribe of the Rocky Boy’s Reservation	Southern Ute	White Earth
Choctaw	Torres-Martinez Band of Cahuilla Indians	Yurok Tribe
Hoopa Valley Tribe		Zuni Tribe

tribe's restoration activities and will make additional settlement contributions; and the Salt River Project will contribute \$1 million for restoration activities.

In a second success story, the Shivwits Band of Paiute Indians Water Rights Settlement Act, which became effective on September 20, 2003, confirms a water right of 4,000 acre-feet per year for the band, whose reservation lies in the Virgin River Basin just north of St. George, Utah. Most of the water to satisfy the band's right will come from two separate projects developed as part of the settlement. One, the St. George Water Reuse Project, will treat and recycle discharges from the St. George Water Reclamation Facility. The other, the Santa Clara Project, will use a pressurized pipeline to replace certain irrigation water deliveries via area canals, thereby conserving water currently lost through seepage and evaporation. Besides benefiting the Shivwits Band, these projects will benefit the city of St. George and other water users in the area.

"This [water] settlement will help us become self-sufficient and will open the door for economic development...."

—Glenn Rogers,
Shivwits Band of the
Paiute Indian Tribe

AGRICULTURAL, RANGE, AND GRAZING LANDS

Of the total 56 million acres of trust lands, 44 million acres are rangelands or forest grazing lands, and 3 million acres are dry and irrigated farmland.

Interior's objective is to protect, conserve, restore, improve, and enhance the agronomic and range resource values of Indian lands, preserve the land in a perpetually productive capacity to ensure continuous production, develop renewable resources, provide technical assistance to Indian farmers and ranchers, and assist Indian landowners in leasing and permitting their farmland and rangeland for the best economic return consistent with tribal goals and objectives.

Rangelands provide the forage base for most of the western livestock industry, in addition to wildlife habitat and recreational opportunities. The condition of rangelands in many areas of the western states has declined in recent years. Interior, in consultation with Indian landowners, is implementing effective conservation and management practices on Indian agricultural lands. These practices include regulating grazing capacity by recommending stocking rates based on range inventories and regulating grazing on range units by permits, establishing grazing fees and conservation and land use controls, constructing range improvements as a condition of permitting, regulating livestock trespass, controlling animal damage and invasive species (e.g., noxious weeds), preparing annual range management plans in conjunction with the permittees, and developing policy and procedural handbooks that provide guidance to field personnel in carrying out program objectives.

Increases in funding in FY 2002 and 2003 have allowed for additional personnel to be hired and for the initiation of updated inventories for over four million acres. A number of important guidance documents have been created during the past four years to direct Interior's actions with regard to



Of the total 56 million acres of trust lands, 44 million acres are rangelands or forest grazing lands, and 3 million acres are dry and irrigated farmland.

agriculture and grazing activities. Of particular note is the draft *Agriculture and Range Manual and Handbook*, which replaces guidance that had not been rewritten since the 1950s. Draft grazing regulations for the Navajo Partitioned Lands developed by BIA and the Navajo Nation were published in the *Federal Register* in November 2003. In addition, BIA and tribal participation in Interior's Rio Grande Tamarisk Initiative is effectively addressing the issue of this invasive shrub.

WILDLIFE MANAGEMENT AND RECREATION

BIA's Wildlife and Parks program consists of an on-reservation component designed to conserve and develop Indian fish, wildlife, and outdoor recreation and ecotourism resources, and to manage and regulate associated tribal and public hunting, fishing, and related activities on tribal lands. Interior has provided funding for certain on-reservation programs, such as wetlands management, fish hatchery maintenance, and bison herd development. BIA biologists and game wardens have provided technical assistance for the Metlakatla Indian Fisheries Program, Hoopa Valley and Yurok Fisheries Program, Red Lake Fisheries Program, and Wind River Game Code Implementation, among other programs.

The Wildlife and Parks program also has a large off-reservation component designed to protect treaty fishing, hunting and gathering rights, and the resources upon which the meaningful exercise of those rights depend. Several court rulings that reaffirmed the off-reservation treaty rights of more than 40 tribes provided authorization for most of the associated Rights Protection Implementation Programs. Each of the off-reservation court rulings has

In 2004, the U.S. Fish and Wildlife Service awarded 53 grants to help federally recognized Indian tribes conserve and recover endangered, threatened, and at-risk species and other wildlife on tribal lands in 22 states.



resulted in the creation of an intertribal fish and wildlife commission or authority, and multi-tribal efforts to manage and conserve off-reservation resources shared by the tribes and non-Indian entities through biological research, conservation enforcement, and conservation court programs. This program is 100 percent contracted to affected tribes.

In 2004, the U.S. Fish and Wildlife Service awarded 53 grants to help federally recognized Indian tribes conserve and recover endangered, threatened, and at-risk species and other wildlife on tribal lands in 22 states. About \$3 million was awarded under the Tribal Landowner Incentive Program and about \$6 million under the Tribal Wildlife Grant Program.

TRIBAL SERVICES

Self-governance and Self-determination

Indian self-determination has been the basis of federal Indian policy since the 1970s. Today, BIA provides funding and services to more than 1.5 million American Indians and Alaska Natives in 31 states in three ways—directly, through self-determination contracts and grants, and through self-governance compact agreements with tribes. In support of self-determination, BIA has provided more than \$125 million in contract funds in each of the past four years. These funds are helping to strengthen and stabilize the administrative structures for those tribes and tribal organizations contracting and compacting BIA programs. Tribes use the funds for administrative and management costs, including finance, personnel, maintenance, insurance, utilities, and audits.

Over 450 federally recognized tribes have self-determination contracts or self-governance compacts with BIA and receive annually over \$650 million in funding to provide services to other citizens. Self-determination contracts are given to tribes that express a desire to take over a specific program, service, function, or activity that Interior would have otherwise provided. As a consequence, tribal members then provide these services to the tribe.

Self-governance compacts implement the Tribal Self-Governance Act of 1994, so that tribes can efficiently plan, conduct, consolidate, and administer programs, services, functions, and activities for tribal citizens according to priorities established by their tribal governments, and as a consequence, can reprioritize funding and redesign programs.

Tribes depend on Tribal Priority Allocation (TPA) funds for basic necessities and programs critical to improving the quality of life and economic potential on reservations. The TPA gives tribes the flexibility to prioritize funds among most TPA programs according to their unique needs and circumstances and is an important tool for accomplishing BIA's self-determination performance goals. The TPA activity has grown by almost \$40 million since 2001.

Welfare Assistance/Housing

Interior provides welfare and housing assistance to eligible Indians who are unable to receive assistance from other federal, state, or local programs. These programs serve American Indian individuals and families on reservations and Alaska Natives living in designated service areas.

In the past four years, Interior has provided about \$375 million in welfare assistance payments to approximately 50,000 eligible individuals a month, on average. As part of this sum, in FY 2003, for example, Interior distributed approximately \$11 million to support 1,600 disabled Indian adults and \$30 million to support 4,400 abandoned or neglected children. During the same period, Interior spent more than \$90 million for renovation and construction of homes for more than 2,200 individuals and families. Without these services, many more Indian families would have experienced serious health and safety problems.



Law Enforcement and Security Programs

Under this Administration, Indian Country law enforcement has continued to press forward to enhance public safety and protection of property for approximately 1.5 million American Indians residing on 56 million acres of land. BIA's Office of Law Enforcement and Security (OLES) has direct and oversight responsibility for Indian Country uniformed patrol, criminal investigations, and detention services. BIA-OLES operates the Indian Police Academy, 19 detention/corrections centers, and 50 tribally contracted law enforcement detention centers. It also monitors and oversees tribally operated law enforcement programs through Indian self-determination contracts and self-governance compacts.

Since FY 2001, the BIA-OLES budget has realized an 11 percent increase to its current level of \$172 million. This increase demonstrates the Administration's commitment to police training, building partnerships with communities, strengthening drug and crime interdiction, and improving facilities throughout Indian Country.

BIA-OLES stands ready to respond to Indian Country Homeland Security issues and matters affecting the nation. After the September 11 terrorist attack, 25 BIA officers and special agents served in the Federal Air Marshals program, protecting commercial air traffic.

"Greater love has no one than this, that he lay down his life for his friends."

—In memory of
Creighton Spencer,
who died in the line of duty
March 25, 2001

INCREASING POLICE TRAINING

Indian Country law enforcement officers routinely respond to "in progress" serious assaults, car accidents, suicides, sexual assaults, incidents of child abuse, search-and-rescue operations, and missing children reports and conduct myriad community preventive and protective activities. The officers are occasionally involved in high-speed pursuits, armed confrontations, and situations of dangerous civil unrest.

BIA-OLES recognizes the basic foundation for effective, efficient, and safe performance-based law enforcement programs begins with training. The Indian Police Academy continues to build partnerships with other federal

agencies to maximize training opportunities to meet the needs of Indian Country law enforcement. The Indian Police Academy promotes the goals of BIA by providing technical assistance, developing policy, and coordinating training programs.

In FY 2003, BIA-OLES trained 3,357 Indian Country law enforcement personnel, including BIA and tribal investigators, police officers, correctional officers, dispatchers, Federal Bureau of Investigation (FBI) special agents, and state and local law enforcement officers. July 2004 marked the 100th basic police class to graduate from the Indian Police Academy in Artesia, New Mexico. Classes have been designed to offer a broad range of training, including:

- 15 separate basic training programs for police, criminal investigation, detention, and dispatch personnel;
- 26 advanced training programs, which include child abuse investigation, community policing, use of force, firearms instruction, archaeological resource protection, police management and supervision, crime scene processing, detention, and dispatcher training courses; and
- 39 outreach training programs, consisting of the BIA/FBI joint training programs; the Department of the Interior Management Training Programs; the BIA Criminal Jurisdiction in Indian Country Training Programs; BIA-In Service Training for Criminal Investigators, Police Officers and Correctional Officers; and the BIA-Department of Justice (DOJ) Safe Trails child abuse conferences.

BUILDING PARTNERSHIPS WITH COMMUNITIES

Indian Country law enforcement comprises 206 law enforcement programs managed and overseen by six District Offices. The police departments in Indian Country are encouraged to operate under the community policing philosophy that builds proactive and meaningful partnerships with local stakeholders. These positive working relationships have led to numerous prevention and enforcement initiatives, and in some cases have dramatically improved conditions within the communities.

Operation “Stranger Danger”

As part of the Uintah & Ouray Agency’s “Stranger Danger” child safety program in Utah, police officers and telecommunications equipment operators conducted presentations for the local schools and communities regarding personal safety.

Crime, Drug, and Gang Prevention

BIA officers provide classroom instruction for the nationally recognized DARE (Drug Abuse Resistance Education) and GREAT (Gang Resistance Education and Training) programs throughout Indian Country. In Oklahoma, the programs have been so successful that BIA has experienced a dramatic increase in the

Pyramid Lake Tribe and Western Nevada Agency, BIA-OLES, hosted the First Youth Basketball Tournament.





As part of the Uintah & Ouray Agency's "Stranger Danger" child safety program in Utah, police officers and telecommunications equipment operators conducted presentations for the local schools and communities regarding personal safety.

number of schools requesting the programs. The area tribes and communities continually express vigorous support for these two initiatives.

Traffic Safety Initiative

In 2002, 11 people were killed on the Crow Indian reservation in Montana involving drug- or alcohol-related motor vehicle accidents. BIA Chief of Police Darren Cruzan and Lieutenant Ed Eastman developed a proactive prevention and enforcement partnership with the Crow Tribe, Indian Health Services, and local service providers. Thanks in large part to their proactive efforts, in 2003, there was only one motor vehicle fatality on the reservation.

Seatbelt and DUI Prevention

New Mexico's Mescalero Agency conducted a campaign to enforce and encourage the use of seatbelts and child safety restraints. The effort also targeted citizens driving while under the influence.

STRENGTHENING DRUG AND CRIME PREVENTION

Operation Kiipokya

A four-month federal and tribal task force, dubbed Operation Kiipokya, investigated illegal bootlegging of alcohol on Arizona's Hopi Indian Reservation. The operation involved BIA agents and agents representing the Hopi, Uintah & Ouray, San Carlos, and Fort Apache tribes. The U.S. Attorney's Flagstaff Office charged the most prolific and high-volume operators for violations of federal bootlegging, drug trafficking, and firearms statutes. The arrest of these individuals had a significant and positive impact on the communities and resulted in a reduction in the sales of illegal substances.

Drug Operations

In May 2003, residents of South Dakota's Pine Ridge Indian Community expressed concern to law enforcement officials regarding the escalating gang-related shootings potentially linked to drug trafficking. BIA's Aberdeen District I

office created an operational plan targeting drug interdiction and gang suppression, using BIA special agents and agents from the Northern Plains Drug Task Force and the FBI. The overall objective and mission of the operations plan was to gather intelligence on gang and drug activities, target specific groups, and build evidence to prosecute identified gang members and drug dealers. The result was 75 arrests, 45 investigative cases initiated, and the seizure of various dangerous drugs.

Community bike patrols make Indian Country safer.



Operations Torch Hunter and Red Sky

In 2002, in response to over 270 arson fires on the Mescalero Reservation (NM), BIA formed a joint task force with the U.S. Forest Service, FBI, Tribal Rangers, and local and county law enforcement. The task force personnel drafted an operations order that set forth policy and protocols to ensure a seamless investigative operation. A command post was established and equipped with state-of-the-art surveillance equipment and computer software. The result was the arrest of a local wildland firefighter who was setting the fires to generate a paycheck.

During the same timeframe, in response to the 400,000-acre Rodeo/Chedeski arson fire, BIA mimicked Operation Torch Hunter and used the model to create the Operations Red Sky Task Force. As a result of the joint investigative effort, the arson was solved within three days, and a local wildland firefighter who was also setting fires to generate a paycheck was arrested.

BUILDING SPECIAL RESPONSE CAPABILITIES

BIA's Special Response Team operates with an understanding that Indian Country, like the rest of the United States, is at risk of natural, accidental, or deliberate disasters, and that there constantly remains the potential for armed civil disturbance. Composed of highly trained special agents and police officers, the team has responded to a number of emotionally and politically charged situations. For example, in February 2001, it responded to the proposed eviction of Navajo tribal members from Hopi Reservation lands. After several tense days wherein hundreds of protesters congregated and pledged to disrupt Hopi Tribal Services, the Special Response Team was able to peacefully diffuse the situation. More recently, the team responded to Hurricane Frances to ensure the safety, response, and recovery of the Seminole Tribe of Florida.

IMPROVING THE DETENTION PROGRAM

While a great deal remains to be accomplished and improved, BIA has been working with many different partners to improve the conditions and management of the detention program. BIA-OLES has worked in partnership with the Department of Justice's (DOJ's) Corrections Programs Office, which provides grants to the tribes to build new detention facilities. While DOJ has provided grants to tribes, BIA-OLES has requested funding to staff and operate the programs. BIA-OLES has received approximately \$20.7 million in new budget authority to operate these new programs.

Outside Recognition

- Lt. Ed Eastman and BIA Chief of Police Darren Cruzan received an award from the Indian Health Service for their successful traffic safety initiative.
- Tribal police officers and BIA Special Agent in Charge received an appreciation award from the Rosebud Sioux Tribe for promoting sovereignty.
- Supervisory Special Agent John Oliveira, Western Nevada Agency, received a nomination for a national award based upon his contributions to fight child abuse and sexual assault in Indian Country.
- The U.S. Attorney's Office, District of Arizona Law Enforcement Coordinating Committee, recognized Operation Kiipokya with the Cooperative Law Enforcement Award.



Lt. Ed Eastman (left) and BIA Chief of Police Darren Cruzan (right).

Since 2001, BIA-OLES has worked with DOJ and the National Institute of Corrections (NIC) to provide detention management training for Indian Country detention programs. BIA-OLES staff and Indian Country detention administrators attend training sessions twice a year at NIC's facility in Longmont, Colorado, and three training programs held annually in regional locations. This includes training for small Agency training coordinators, interpersonal communications, policy and procedure development, and inmate classification and supervision. NIC's training programs are tailored specifically to Indian Country needs.

During 2004, BIA developed and implemented strategic plans to address detention health and safety issues. BIA is placing the highest priority on the safety and well-being of detainees and staff. To date, one detention facility has been closed, and other closures are planned as new construction is completed and tribes are consulted. In addition, BIA restructured management within Law Enforcement in 2004. District Detention Supervisors were appointed and immediately began resolving health and safety issues at BIA and tribal facilities. Positions for an Associate Director of Corrections and an Assistant Director for Detention Facilities were created and focus attention on the improvement of buildings and detention operations.

Two of BIA's police officers.





Commissions and Boards

Interior receives considerable advice from independent commissions and internal boards regarding its Indian services and policy programs. Although such organizations are numerous, three of the most visible groups are the National Indian Gaming Commission, the Indian Arts & Crafts Board, and the Special Trustee Advisory Board.

NATIONAL INDIAN GAMING COMMISSION

The National Indian Gaming Commission regulates gaming activities on Indian lands to shield tribes from organized crime and other corrupting influences, and to ensure both that tribes are the primary beneficiaries of gaming revenue and that gaming is conducted fairly and honestly by operators and players. To achieve these goals, the Commission is authorized to conduct background investigations and audits; review and approve tribal gaming ordinances; and undertake enforcement actions, including issuing notices of violation and closure orders and assessing civil fines.

Since January 2003, the Commission has developed and published in the *Federal Register* the first Government-to-Government Tribal Consultation Policy and has conducted consultation meetings with over 130 separate gaming tribes and several national, regional, and state intertribal associations. The Commission also worked with the Federal Bureau of Investigation (FBI) to organize the Indian Gaming Federal Law Enforcement Working Group to better coordinate federal law enforcement resources and to effectively investigate and prosecute Indian gaming-related crime. Current participating agencies include the FBI, Interior's Offices of the Inspector General and Law Enforcement, BIA Law Enforcement, the Internal Revenue Service, the Treasury Department's Financial Crimes Analysis Center, and the Department of Justice's and U.S. Attorney's Indian Country Subcommittees.

The Commission has established two advisory committees. The first is helping the Commission correct shortcomings in regulations on its Minimum Internal Control Standards, keeping them up to date with changing gaming technology and methods, ensuring the adequacy of tribal regulations and



Phil Hogan, Chairman, National Indian Gaming Commission.

control of Indian gaming operations. The second committee is developing uniform technical standards and procedures as Commission regulations to help tribes distinguish permissible electronic, computer, and other technological aids. The Commission plans to finalize promulgation of these gaming classification standards and procedures by June 2005, in consultation with gaming tribes.

To ensure that gaming facilities are constructed, maintained, and operated in a manner that adequately protects the environment and the health and safety of tribal members, employees, and the general public, the Commission developed an environmental, public health, and safety field inspection check list to assist tribal governments in developing adequate requirements and procedures. The Commission's efforts to provide oversight on Indian gaming activities have created a more equitable environment for state and Indian gaming interests to work together.

INDIAN ARTS & CRAFTS BOARD

Congress created the Indian Arts & Crafts Board as a separate agency within Interior to promote the economic development of American Indians and Alaska Natives through the expansion of the Indian arts and crafts market. A top priority of the Board is implementing and enforcing the Indian Arts and Crafts Act of 1990 (the Act), a truth-in-advertising law that provides criminal and civil penalties for marketing products as "Indian-made" when they are not made by Indians, as defined by the Act.



The Indian Arts & Crafts Board promotes the economic development of American Indians and Alaska Natives through the expansion of the Indian arts and crafts market.

The Board's other activities include providing American Indian artists, artisans, and cultural organizations with professional business advice, information on the Act and related marketing issues, fundraising assistance, and promotional opportunities. The Board produces a consumer directory of approximately 190 arts and crafts businesses owned and operated by American Indians and Alaska Natives, and is the only federal agency that is consistently and exclusively concerned with the economic benefits of American Indian cultural development.

Among the Board's most significant accomplishments was the promulgation of final regulations in 2003 that defined and provided examples of "Indian products" for Indian artists and artisans. The Board also resumed its national educational program in 2003 to educate Indian artists and artisans on how to protect their work by becoming familiar with the Act and its definitions, and how to file complaints of possible violations. Through its participation in several significant artist events, including the Santa Fe Indian Market, the Heard Museum Guild Indian Market and Fair, and the Red Earth Festival, the Board has continued to reach out to tribes and their members.

Recently, in collaboration with the state of New Mexico, the Board aired a televised public service announcement on the Act to promote the market for and encourage the purchase of authentic Indian arts and crafts from federally recognized artists and artisans. The Board also continues to communicate information on the Act in tourism and special-interest publications nationwide.

SPECIAL TRUSTEE ADVISORY BOARD

On February 5, 2004, the Special Trustee for American Indians announced the membership of the 2004-05 Office of the Special Trustee Advisory Board. The new Board reflects a diverse membership, as directed by statute, and represents tribal account holders, individual Indian money account holders, and private trust managers and investors. As Interior is embarking on some of the most significant Indian trust management reforms in history, the Advisory Board will be invaluable in helping the Department successfully achieve them. The nine members of this Board have solid credentials and a genuine desire to play a crucial role in reforming the management of Indian trust assets nationwide.

Special Trustee Advisory Board members, left to right: Helen Sanders, Chief Gray, Governor Anoatubby, Special Trustee Ross Swimmer, Chairman Milanovich, Secretary Norton, Ed Holland, Chairman Matt, Bobby Brooks, and Bat Pourier. (Not pictured: Dr. David English.)





Message from the Assistant Secretary – Indian Affairs

Throughout the years, the Bureau of Indian Affairs has played a very important role in many of our lives. I have worked alongside many BIA native and non-native employees, and I have been encouraged by their genuine caring and hard work. I would like to acknowledge the dedication and service of our BIA employees.

This document is an acknowledgment of the many accomplishments of BIA working in consultation and cooperation with American Indian tribes throughout the United States and the native villages in Alaska.

I sincerely believe that this report, for the first time, highlights the importance of BIA in empowering sovereignty of our tribal governments by providing education, law enforcement, the protection of our natural resources, and increased entrée into greater economic development opportunities on a global basis. As a native businessman myself, I understand the importance of encouraging entrepreneurship and training young people for success.

It is my goal that every American Indian and Native Alaskan youth can grow up with the hope that all of their dreams can be fulfilled just like any other youth living in this great country of ours. It is my goal that our youth can grow up knowing they can access the best in education, that they can look forward to a fulfilling and rewarding career, that they can enjoy a healthy lifestyle, and have a deep sense of pride in their culture, language, and traditions as America's first people.

I am honored that President Bush appointed me as Assistant Secretary - Indian Affairs. I am equally honored to be representing our Indian people.

David W. Anderson



Message from the Special Trustee for American Indians

I am pleased with the firm foundation Interior is putting in place to improve services to Indian trust beneficiaries. During the past four years, I have witnessed great progress by this Administration in achieving its commitment to improving the management of trust assets. I am excited about continuing to implement efforts to ensure that beneficiaries receive a superior level of service, and that trust assets are properly managed by Interior.

Interior's Comprehensive Trust Management Plan outlines the structure and strategy used to guide thoughtful trust reforms. Consistent with this plan, implementation of a trust business model has begun, ushering in a new era of beneficiary-focused fiduciary trust services. Implementation of this model throughout Interior is a historic opportunity to bring efficient, consistent, integrated, and fiscally responsible trust operations to Indian Country.

The goals of the Special Trustee to bring about improved beneficiary services and fiduciary accountability are now being realized. For instance, the Office of the Special Trustee is hiring Fiduciary Trust Officers at locations across the nation to provide beneficiaries with information and advice concerning their trust assets. State-of-the-art computer systems are being implemented, and work with tribes is ongoing to ensure that their funds are invested pursuant to an investment strategy that meets their financial requirements. In addition, trust beneficiaries will be ensured of timely receipt of trust funds and comprehensive trust account statements as these improvements continue.

I am confident that, going forward, Indian trust beneficiaries will experience the valuable improvements in trust services provided by Interior.

Ross O. Swimmer



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