

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

Appropriation enacted, 2003	\$47,462,000
Budget estimate, 2004	50,374,000
Recommended, 2004	50,374,000
Comparison:	
Appropriation, 2003	+2,912,000
Budget estimate, 2004	0

The Committee recommends \$50,374,000 for the Office of the Solicitor, the same as the budget request and \$2,912,000 above the fiscal year 2003 enacted level.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriation enacted, 2003	\$36,003,000
Budget estimate, 2004	39,049,000
Recommended, 2004	39,049,000
Comparison:	
Appropriation, 2003	+3,046,000
Budget estimate, 2004	0

The Committee recommends \$39,049,000 for the Office of the Inspector General, the same as the budget request and \$3,046,000 above the fiscal year 2003 enacted level.

**OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS
FEDERAL TRUST PROGRAMS**

The Office of Special Trustee for American Indians (OST) was established by the American Indian Trust Fund Management Reform Act of 1994 (Public Law 103-412). The Special Trustee is charged with general oversight of Indian trust asset reform efforts Department-wide to ensure proper and efficient discharge of the Secretary's trust responsibilities to Indian Tribes and individual Indians. The Office of the Special Trustee was created to ensure that the Department of the Interior establishes appropriate policies and procedures, develops necessary systems, and takes affirmative actions to reform the management of Indian trust funds. In carrying out the management and oversight of the Indian trust funds, the Secretary has a responsibility to ensure that trust accounts are properly maintained, invested and reported in accordance with the American Indian Trust Fund Management Reform Act of 1994, Congressional action, and other applicable laws.

The Special Trustee for American Indians also has responsibility for the related financial trust functions including deposit, investment, and disbursement of trust funds. The Department has responsibility for what may be the largest land trust in the world. Indian trust lands today encompass approximately 56 million acres of land—over 10 million acres belonging to individual Indians and nearly 45 million acres owned by Indian Tribes. On these lands, Interior manages over 100,000 leases for individual Indians and Tribes. Leasing, use permits, sale revenues, and interest of approximately \$226 million per year are collected for approximately 230,000 individual Indian money accounts, and about \$530 million per year is collected for about 1,400 tribal accounts per year. In ad-

dition, the trust manages approximately \$2.8 billion in tribal funds and \$400 million in individual Indian funds.

Appropriation enacted, 2003	\$140,359,000
Budget estimate, 2004	274,641,000
Recommended, 2004	219,641,000
Comparison:	
Appropriation, 2003	+79,282,000
Budget estimate, 2004	-55,000,000

The Committee recommends \$219,641,000 for the office of special trustee for American Indians, \$55,000,000 below the budget request and \$79,282,000 above the fiscal year 2003 enacted level.

Executive Direction.—The Committee recommends \$1,294,000 for executive direction the same as the budget request and \$244,000 below the 2003 enacted.

Operation and Support.—The Committee recommends \$52,424,000 for operations and support, the same as the budget request and \$919,000 below the 2003 enacted level.

Trust Accountability.—The Committee recommends \$51,970,000 for trust accountability, the same as the budget request and \$6,346,000 above the 2003 enacted level.

Field Operations.—The Committee recommends \$24,324,000 for field operations, the same as the budget request and \$15,168,000 above the 2003 enacted level.

Trust Services.—The Committee recommends \$14,629,000 for trust services, the same as the budget request and \$172,000 below the 2003 enacted level.

Historical Accounting.—The Committee recommends \$75,000,000 for historical accounting, a decrease of \$55,000,000 below the budget request and an increase of \$65,844,000 above the 2003 enacted level.

The Committee approved the Department's proposed reorganization of the trust functions for the Bureau of Indian Affairs and Office of Special Trustee for American Indians by letter dated December 10, 2002. The Committee urges the Department to move as expeditiously as possible in implementing this reorganization so that trust reform can continue to move forward.

Bill Language.—After six years of litigation in the *Cobell v. Norton* class action law suit, the Committee has appropriated hundreds of millions of dollars in litigation related activities. These funds could have been better used to fund health and education programs in Indian country or directed towards reforming the outdated trust systems in the Department.

The Committee still faces the likelihood of appropriating hundreds of millions of dollars, or possibly billions, for a historical accounting. The result of this process will likely provide more and more money to accountants and lawyers with little benefit for the individual account holders. To date, not a single dollar has reached the Indian people.

The Committee's concern is reinforced by the results of the recent Ernst and Young report on the historical accounting of the five named plaintiffs and their predecessors, and other studies that indicate the likely error rate for the more than 300,000 individual Indian money accounts is not significant. These studies also provide insight into the Department's ability to conduct an historical accounting based on a sound statistical methodology.

The Committee believes that this contentious litigation has prevented any rational resolution regarding the individual Indian money accounts. Accordingly, the Committee has included a legislative solution that would benefit Indian country and the United States by providing a prompt, fair, and just resolution to these longstanding claims.

The Secretary would have the authority to resolve any claims through a voluntary settlement process with holders of individual Indian money accounts. All other accounting claims would be resolved using a sound statistical sampling methodology. Based on this statistical sampling, the Secretary would estimate a rate of past accounting error and apply that error rate to each account. This would conclusively resolve all claims regarding an account, subject to judicial review. Individual account holders would have the right to appeal account adjustments to the Court of Appeals for the District of Columbia. The Secretary would have four years to complete this accounting and would be required to report to the Congress annually.

This process is similar to accounting solutions implemented elsewhere to solve complicated situations. Absent such a solution, all participants will suffer through years of continued litigation and millions of dollars will continue to be spent on a process that doesn't help Indian country.

INDIAN LAND CONSOLIDATION

Appropriation enacted, 2003	\$7,928,000
Budget estimate, 2004	20,980,000
Recommended, 2004	20,980,000
Comparison:	
Appropriation, 2003	+13,052,000
Budget estimate, 2004	0

The Committee recommends \$20,980,000 for Indian land consolidation the same as the budget request and \$13,052,000 above the fiscal year 2003 enacted level.

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION

NATURAL RESOURCE DAMAGE ASSESSMENT FUND

The purpose of the Natural Resource Damage Assessment Fund is to provide the basis for claims against responsible parties for the restoration of injured natural resources. Assessments ultimately will lead to the restoration of injured resources and reimbursement for reasonable assessment costs from responsible parties through negotiated settlements or other legal actions. Operating on a "polluter pays" principle, the program anticipates recovering over \$44 million in receipts in fiscal year 2003, with the vast majority to be used for the restoration of injured resources. The program works to restore sites ranging in size from small town landfills to the Exxon Valdez oil spill of 1989 in Alaska.

Prior to fiscal year 1999, this account was included under the United States Fish and Wildlife Service appropriation. The account was moved to the Departmental Offices appropriation because its functions relate to several different bureaus within the Department of the Interior.