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Ms. Darlene Sanchez
Regional Administrator
Mountain Plains Region
USDA
1244 Speer Boulevard
Denver, CO 80204-3585

Dear Ms. Sanchez:

Thank you for the opportunity to comment on USDA's proposed methodology for the allocation of federal administrative funds for the Food Distribution Program on Indian Reservations (FDIR). I appreciate the relationship we have developed with your office and your willingness to listen to our concerns. That good relationship is due, in large part, to your leadership.

I will try not to repeat the more detailed and technical objections that are being submitted to you under separate cover by our commodity section supervisor, Mr. Forest Farris.

Rather, I would like to share some observations and make some recommendations based on a somewhat broader perspective. As one who has participated in similar processes for other programs, both at the federal and state levels, I know how contentious they can be. Any time the issue of altering funding arises, lines can be drawn early and some times rational discussions can suffer. That is not my intent.

I appreciate USDA trying to re-examine how administrative funds are distributed. However, not including a state agency on the working group (despite contentions to the contrary) almost ensured that the perspectives of one of your most valuable partners were not solicited up front. State agencies such as ours exist solely to deliver the best service we can to the most vulnerable among us and should have been involved from the beginning.

I would have made sure to point out that how we interact with all local agencies addressing hunger including tribes, food banks, schools and senior feeding sites and agencies addressing natural disasters including the state's emergency services as well as those working to keep people warm is all made possible by USDA's present level of support.

The fact is that without USDA's core administrative funding, we could not deliver the services from any of your commodity programs, nor any of the other services that we offer. Over time, our warehousing and trucking capabilities have been developed to the point that we are a primary line of defense against hunger and emergencies, and not just within our borders. You may remember the use of our trucks during the floods in North Dakota. USDA should be rightfully proud of what we have been able to accomplish and doing all it could to protect our ability to continue.

The proposed changes are much too vague to determine the effects on states and ITOs. Too many responses to the "Questions and Answers" section raise far more questions than answers. If, in fact, USDA is unable to predict the specific consequences on individual ITOs and states because of several variable factors, that in itself is reason to halt the process. Why implement a process whose consequences are unknown? I believe that we can all cite examples of unintended consequences that were far worse than the problems they were to correct.

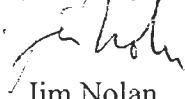
I would ask USDA to work with us to develop a number of scenarios, using what is known and allow thorough investigation of specific actions. Only by examining each scenario can we say that we have discharged our duty with due diligence.

I would also have USDA proceed with some very specific protections such as a hold harmless clause or something along the lines that no agency would be cut by more than a certain percentage that we could all live with. I know that no one in USDA is trying to irreparably harm any agency and recognition of this as a ground rule would be essential.

I am not blind to the fact that some may need more administrative funding than they may have received in the past. But I also know that what USDA has helped create in Montana is just an excellent example of what government can do and should not be destroyed.

I am confident that a better product can be developed than the proposed methodology I have seen. Please allow us to work with you to reach that better product. I am ready to help in any way you see fit.

Sincerely,



Jim Nolan
Chief

cc Joan Miles, Director, DPHHS
Hank Hudson, Administrator, HCSD
Nancy Theodore, USDA
Senator Max Baucus
Forest Farris, Section Supervisor