



DEC 14 2000

Dear Tribal Leader:

The purpose of this letter is to continue our communication with you regarding how the Indian Health Service (IHS) Headquarters is changing so as to provide its advocacy, leadership, and policy responsibilities more efficiently and effectively. Reorganization and downsizing of the IHS Headquarters in 1997 changed the way work gets done. While teamwork has become a best practice in carrying out the myriad of responsibilities delegated to IHS Headquarters personnel, having Headquarters employees located in two separate buildings approximately 1 mile apart has proven to be a difficult barrier to efficiency and effectiveness in completing our work. Over the last few years, I have considered options to improve our office space configuration to coincide with our changed role as specified by the Indian Health Design Team Report recommendations. Recently an opportunity was presented to me that would allow me to follow through on this need to improve our office space situation.

A building located at 801 Thompson Avenue in Rockville is currently leased to the Food and Drug Administration (FDA). This building is next door to the Twinbrook Metro Plaza where almost one-half of the IHS Headquarters employees are located. The FDA is interested in trading space in the 801 Thompson Street location for equivalent IHS occupied space in the Parklawn Building. Because this building is currently undergoing complete renovation and is immediately available for design and buildout, we entered into discussions with the FDA and the General Services Administration (GSA) to gather information necessary to analyze the impact on the IHS Headquarters operations, including costs.

As a result, I believe the opportunity to enter into an agreement with the FDA and the GSA to exchange space is beneficial for both agencies. The estimated annual leasing costs in the Thompson Street facility are comparable with our current annual costs in the Parklawn Building for equivalent space and services. In addition, I believe the ability to consolidate most of the Headquarters employees in adjacent

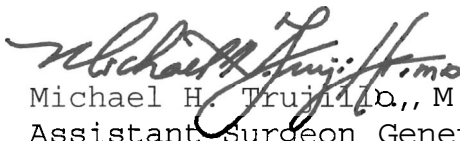
Page 2 - Dear Tribal Leader

buildings will save time, provide a more productive work environment, and improve our ability to respond to tribal governments. It will also make it easier for tribes, urban health organizations, and other visitors and partners to carry out business throughout IHS Headquarters because the Twinbrook Metro Plaza and the Thompson Avenue location are next door to each other rather than a mile apart. An added convenience is that the Thompson Street location is much nearer the hotels and the Twinbrook Metro Station. I have therefore asked my staff to proceed in planning with the FDA and the GSA for this exchange.

Some tribal leaders have expressed the view that all of IHS Headquarters should relocate to Washington, D.C. We have found that space costs in Washington, D.C., almost doubles the costs in suburban Rockville, Maryland. The process for Federal agencies to acquire space carries significant restrictions, and cost thresholds are established that, when exceeded, trigger very long planning timeframes and rigorous justification. Relocation of the entire IHS Headquarters would exceed this threshold. As an alternative, I am requesting space in the Hubert H. Humphrey Building for approximately 12 people to provide convenient access to tribes, tribal/urban organizations, and other partners. I expect the Department will let the Agency know its decision soon.

I continue to appreciate the understanding, patience, and support of tribal leaders as the Agency progresses toward a more effective and responsive organization.

Sincerely yours,



Michael H. Trujillo, M.P.H., M.S.
Assistant Surgeon General
Director