

THE WHITE HOUSE
WASHINGTON

March 10, 1999

The Speaker of the

House of Representatives

Sir:

I ask the Congress to consider the enclosed request for an FY 1999 supplemental appropriation for the Department of the Interior. This \$15 million supplemental request would fund necessary actions required in the Cobell v. Babbitt litigation concerning alleged past mismanagement of individual Indian trust accounts by the Department of the Interior. The requested funds will be used for court-ordered document production, the work of a court-appointed Special Master, and statistical sampling of trust accounts for use in expediting the resolution of this case.

The additional resources requested will be derived by transfer from other Department of the Interior programs. The FY 1999 budget totals would not be affected by these actions.

This request, together with the \$6.8 million in supplemental funding proposed in the FY 2000 Budget for Indian trust fund management improvements, will assist the Department of the Interior in adequately fulfilling its requirements stemming from the Cobell v. Babbitt litigation and building on its trust fund reform initiative.

The details of this request are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

Handwritten signature of William J. Clinton in black ink.

Enclosure



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 10, 1999

The President

The White House

Submitted for your consideration is a request for an FY 1999 supplemental appropriation of \$15 million for the Department of the Interior (DOI). This request would fund requirements of the Cobell v. Babbitt litigation. The resolution of this case will assist the United States in meeting its fiduciary responsibility to individual Indian allottees.


The lawsuit, filed in June 1996 on behalf of approximately 300,000 allottees, alleges Federal mismanagement of their trust accounts. In January 1999, a contempt trial was held on the failure of the Departments of the Interior and the Treasury to produce documents for the five lead plaintiffs pursuant to a November 1996 court order. On February 22, 1999, a Federal district court found Secretaries Babbitt and Rubin and the Assistant Secretary for Indian Affairs in civil contempt. The funds requested would be used for court-ordered document production, the work of a court-appointed Special Master, and statistical sampling of trust accounts for use in a negotiated settlement.

The funds requested for the Office of the Special Trustee for American Indians would be derived by transfer from the following DOI programs: the Mineral Management Service; the Bureau of Land Management; the United States Fish and Wildlife Service; the National Park Service; and, the United States Geological Survey. Language is also included that would increase the level of receipts retained in the Mineral Management Service's Royalty and Offshore Minerals Management account. In aggregate, the FY 1999 budget totals would not be affected by these actions.

This proposal is in addition to the \$6.8 million supplemental proposal included in your FY 2000 Budget for DOI's Indian trust fund management reform initiative, which includes acquisition and implementation of a commercial system to replace the Bureau of Indian Affairs' trust land management and land records systems; extensive data clean-up; and, elimination of land records and probate backlogs. Together, these additional resources would assist DOI in resolving the Cobell v. Babbitt litigation and advancing the trust fund reform initiative, on which the Administration continues to make substantial progress.

I have carefully reviewed this proposal and am satisfied that it is necessary at this time. Therefore, I join the Secretary of the Interior in recommending that you transmit the proposal to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Jacob J. Lew". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jacob J. Lew
Director

Enclosures

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

Federal Trust Programs

For an additional amount for "Federal Trust Programs," \$15,000,000, to remain available until expended, to support litigation involving individual Indian trust accounts, of which the following amounts shall be derived by transfer from amounts provided in Public Law 105-277, as follows: from Minerals Management Service, "Royalty and Offshore Minerals Management," \$5,000,000; Bureau of Land Management, "Wildland Fire Management," \$4,500,000; United States Geological Survey, "Surveys, Investigations, and Research," \$1,500,000; United States Fish and Wildlife Service, "Resource Management," \$2,000,000; and National Park Service, "Operation of the National Park System," \$2,000,000: Provided, That the amount provided herein is available for transfer to Bureau of Indian Affairs, "Operation of Indian Programs"; Office of the Solicitor, "Salaries and Expenses"; Departmental Management, "Salaries and Expenses"; Minerals Management Service, "Royalty and Offshore Minerals Management"; and, Bureau of Land Management, "Management of Lands and Resources".

This supplemental request would provide resources to support costs to the Government in defense of a lawsuit filed on June 10, 1996, entitled Eloise Pepion Cobell et al. v. Bruce Babbitt et al. The lawsuit was filed on behalf of approximately 300,000 holders of Individual Indian Money (IIM) trust accounts. This suit alleges that the Secretary of the Interior has breached his trust responsibility in the administration of IIM accounts. The amount requested would support document production, a court-appointed Special Master, and statistical sampling of trust accounts to fulfill the Department's obligations to produce an accounting and to provide a basis for settlement.

The \$15 million requested for the Office of the Special Trustee for American Indians would be derived by transfer from other Department of the Interior programs. In total, this proposal will not increase FY 1999 outlays.

DEPARTMENT OF THE INTERIOR

MINERALS MANAGEMENT SERVICE

Royalty and Offshore Minerals Management

The appropriations language under this heading in Public Law 105-277 is amended by deleting "\$100,000,000" and inserting "\$105,000,000".

This proposal would raise the level of receipts retained in the Royalty and Offshore Minerals Management account to offset costs of administering the Minerals Management Service's outer continental shelf (OCS) leasing and royalty collection program by \$5 million. This increase reflects higher estimates of receipts for FY 1999 from OCS lease payments, as authorized by Congress in 1993. This higher level of available offsetting collections will enable \$5 million of appropriated funds to be transferred from the Royalty Offshore Minerals Management account to the Office of the Special Trustee for American Indians, as reflected in the accompanying supplemental request.

THE WHITE HOUSE

Office of the Press Secretary
(Guatemala City, Guatemala)

For Immediate Release

March 10, 1999

STATEMENT BY THE PRESS SECRETARY

President Clinton today sent to the Congress a request for \$15 million in FY 1999 supplemental funding for the Department of the Interior to support requirements of the Cobell v. Babbitt litigation. This lawsuit was filed on behalf of approximately 300,000 holders of individual Indian money accounts.

These additional funds will allow the Department to carry out critical activities, including court-ordered document production, needed this year in defense of the lawsuit. The request, together with \$6.8 million in supplemental funding proposed in the FY 2000 Budget for Indian trust fund management improvements, will assist the Department of the Interior in fulfilling its requirements stemming from the Cobell v. Babbitt litigation and advancing the Department's trust fund reform initiative, on which it continues to make substantial progress.