

Dear Tribal Leader:

I am honored to invite you or your representative to a tribal consultation with the Department of the Interior (Department) regarding the Trust Land Consolidation component of the Cobell Settlement. The Settlement, approved by Congress on November 30, 2010 (Claims Resolution Act of 2010), and signed by President Obama on December 8, 2010, establishes a \$1.9 billion fund for the voluntary buy-back and consolidation of individually-owned trust or restricted fee fractionated land interests. The Settlement also mandates consultation with Indian tribes to identify fractionated interests that the Department may want to consider purchasing.

Enclosed is a draft summary of the Department's preliminary goals for the program and a background fact sheet. The Department seeks your input on our initial direction for this program. We also welcome your comments regarding any additional considerations you feel are relevant to the issue of trust land consolidation.

As background, the \$3.4 billion Cobell Settlement addresses the Federal Government's alleged mismanagement of trust accounts maintained by the United States on behalf of more than 300,000 individual Indians. The Settlement includes a fund of \$1.5 billion to be distributed to class members to compensate them for their historical accounting and potential trust fund and asset mismanagement claims. In addition, to address the continuing proliferation of new trust accounts caused by the "fractionation" of land interests through succeeding generations, the Settlement establishes a \$1.9 billion fund for the voluntary buy-back and consolidation of individually-owned fractionated land interests. The land consolidation program will provide individual American Indians with an opportunity to obtain cash payments for divided land interests while freeing up the land for the benefit of tribal communities. Furthermore, up to \$60 million of the \$1.9 billion can be set aside to provide scholarships for post-secondary, vocational, or higher education for American Indian and Alaska Natives.

The Department is committed to meaningful consultation with federally recognized tribes in order to develop an implementation strategy to address the problem of fractionation. However, we will not be able to discuss any other aspect of the Cobell Settlement during these consultations. Judge Hogan's May 27, 2011, court order allows communication between representatives of the United States and Cobell class members only in regards to the Trust Land Consolidation component of the Settlement. Court orders are still in effect that bar the Department from discussing other aspects of the Settlement. Court documents regarding the Settlement can be viewed at <http://www.doi.gov/cobell>. The Settlement must be approved by the Federal District Court, and a hearing to consider approval of the Settlement will be held on June 20, 2011. Funding for the Trust Land Consolidation component of the Settlement will not become available until the Settlement is finalized, so we believe this time is an excellent opportunity to work with you to find the best path forward.

All federally recognized tribes are invited to participate in the consultation. We note, however, that some tribes may not have fractionated interests within their jurisdiction or are precluded by statute from participating in the Indian Land Consolidation Program. Notwithstanding this, those tribes are invited to participate as their members may be impacted through ownership of fractionated interests located in other eligible reservations.

The Department's first Trust Land Consolidation consultation will be held on July 15, 2011, in Billings, Montana. You can register via email at RSVPJuly15Consultation@ios.doi.gov. If your tribe plans to send a representative who is not an elected or appointed tribal leader as your official representative for the consultation, we request the designee provide documentation from the tribe on official letterhead indicating the person's role as the official designated representative. Five additional regional consultations regarding land consolidation will be held with dates and locations still to be determined. Information regarding these future consultations will be published in the Federal Register. Please submit comments via email at landconsolidationcomments@ios.doi.gov by September 16, 2011.

Additional updates about each consultation will be available at www.doi.gov/cobell. We look forward to engaging with you in this government-to-government consultation. If you have any questions about the consultation, please contact Ms. Michele Singer, Director, Office of Regulatory Affairs and Collaboration Action, via mail at: 1001 Indian School Road, NW, Suite 312, Albuquerque, New Mexico 87104; telephone at (505) 563-3805; or by fax at (505) 563-3811.

Sincerely,

David J. Hayes

Enclosures