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WARM SPRINGS, OREGON 97761

SPILYAY TYMOO

Letter to Swimmer details concerns, objections

Introduction

This memorandum is submitted as a result of the serious concerns of tribes arising as a result of the visit on Feburary 12, 1987, to the Portland Area Office of the Assistant Secretary to explain to tribes his forestry initiatives and the request by the Assistant Secretary and Area Director for further information. It should be clearly understood that this memorandum was written at a meeting in the Portland Area Office on February 19 and 20, 1987, by various tribal representatives called together by the Area Director with the assistance of the Intertribal Timber Council. The individuals present were representing Tribes who are members of the Intertribal Timber Council, an organization composed of many timber producing tribes.

During your testimony before the Senate Select Committee on Indian Affairs on February 20, 1987, you referred to the formation of a "task force" to advise you on these matters. We are not such a task force and do not desire to participate in such a task force. You may use these materials if you choose in conjunction with your task force.

This memorandum is not an official position or statement of the Intertribal Timber Council or individual Indian Tribes. Nor should this communication in any way be construed as Interior's consultation with Indian tribes. Tribal representatives at the February 12 meeting were seriously concerned that their opinions regarding the forestry initiatives fell on deaf ears. This memorandum is intended to give the Assistant Secretary a more detailed position with regard to tribal objections to his proposals.

Because of the upcoming appropriation hearings, there has simply not been enough time allocated for effective consultation with affected tribes and it was not possible to form a group that was able to take an official position for an Indian tribe or the Intertribal Timber Council as the Assistant Secretary has requested on February 12, 1987. This memorandum is merely information submitted by a group of interested persons to make clear the opposition to his proposals. This group will forward this information to affected Indian tribes and the governing body of ITC so that they may develop their individual positions.

responsibility of the United States Government. Legal title to these approximately 14,000,000 acres of forest and wood lands is held by the United States in trust for Indian tribes and individual Indians. This administration appears to be making a concerted attempt through the budgeting procedure, and the contracting process, to alter the nature of the trust responsibility as it has developed over the past two centuries

The relationship of the tribes and the federal government will continue to evolve as it has since Chief Justice Marshall speaking for the U.S. Supreme Court first described it in 1832. Tribes are committed to seeing that the direction and evolution of the trust responsibility will benefit both the tribes and the federal government. The drastic turn in this evolution evidenced by the Forestry initiative proposals benefits neither the tribes nor the Federal Government. These proposals will devastate tribal and local economies, alter the basic Federal/tribal trust relationship, impair the ability of many tribes to prosper and become self-sufficient. and in the long run increase the cost to the Federal Government. It should be remembered that most a of the income derived by tribes from their forests is used by tribes to fund essential tribal governmental functions and services, including protection of treaty rights, police protection, tribal courts, housing, health services, education, and general tribal welfare.

The following sets forth this group's analysis of each of the proposed Forestry initiatives:

\$7.5 million decrease in timber sales administration funds

First, it is important to realize that current levels of Bureau funding of timber sales administration are inadequate to properly manage timber sales. For example, Bureau inability to fund environmental assessments and archaeological studies have seriously delayed timber sales. A prudent trustee should not be requesting cuts in this area, but rather should be seeking increases.

The budget reduction will have two primary effects. First, less timber will be cut each year. Personnel will simply not be available to prepare sales for contracting.

Second, the decrease in funding

Funding for forestry training programs could be cut or eliminated should the following estimated effects on stration funds. This proposal fails management programs. They provide close-by technical services for to recognize the carefully developed practice that currently exists with day-to-day management activities regard to these fees. This move for tribes. They are particularly important for those tribes with invites litigation. The current practices have their roots in the early smaller timber resources that cannot justify large on-site staffs. This

Forestry Privatization Initiative

increase Central Office funding.

The Assistant Secretary's forestry privatization initiative and the means by which the Assistant Secretary seeks to develop and implement it can only be discharged as outrageous. It is an apparent attempt to begin dismantling the Bureau of Indian Affairs and changing the basic relationship between the federal government and Indian tribes.

This proposal, on its face, is objectionable for a variety of reasons. First, the Bureau is in essence attempting to contract out, unilaterally, one of its trust responsibilities. There are serious legal questions about whether or not this can be done. Despite requests by tribes for legal opinions from the Solicitor on this subject, no such opinions have been provided. While privatization of government functions is taking place in other areas, the situation is very different with many Bureau functions because they are required by the trust responsibility of the United States. These functions cannot just be handed off to private concerns. Second, the whole privatization concept flies in the face of selfdetermination. Under the Indian Self-Determination Act the tribes and the federal government jointly decide which function it is appropriate for tribes to take over. Underlying this process is the concept of government-to-government relationships in which responsible political entities deliberate regarding the welfare of their people. To the extent that the trust relationship has been modified and is evolving, it has clearly been the policy established by Congress that the changes will be the result of consensual agreements between the tribal governments and the federal government. This is a lengthy process for each tribe that must be carefully developed depending upon special situation on each reservation. The Bureau, in developing and monitoring these consensual arrangements, provides an important stabilizing factor that simply could not be provided by private industry. The privatization policy is a unilateral attempt by the Assistant Secretary to change the relationship over the objection of Indian tribes. Congress, not the Executive Branch, defines the trust relationship. Third, the concept of private management of Indian forests is at odds with the basic nature of Indian forests. The goals of Indian tribes in managing their forests are quite different from those of Boise Cascade or Weyerhauser. Indian forests are managed on a multiple-use concept similar to that used by the U.S. Forest Service. The motive of private management is profits. Indian forests have far greater importance to the tribes than just profit. They must be managed on a sustained yield basis to provide for long range planning and a stable source of revenues to fund tribal governmental operations. The opportunity for the development of conflicts of interests between private forest managers and Indian tribes are obvious. Indian tribes now compete directly in many cases with those private managers. The concept of fiduciary duty does not

allow for these conflicts. Impacts of proposed forestry initiatives on individual reservations

These forestry initiatives will translate into specific severe impacts on many Indian reservations. The following is an analysis of the impacts on four specific reservations.

First, the Colville Tribe presently has about 731,000 acres of commercial forest lands. They have an annual allowable cut of 120,000,000 board feet. 80,000 acres of underprotective forest lands are currently backlogged for forest development. Tribal timber sales generate 95 percent of the Colville Tribal income and when combined with State and Federal contracts and grants, this income represents 45 percent of the total tribal budget. More than 800 reservation jobs are directly derived from their forest resource. Under the current budget, ten percent administrative fee is directed back into the Colville forest and accounts for 33 percent of their total program budget. In addition to Bureau funds, the Colville Tribes spends \$1,200,000 each year for slash treatment, site preparation, and road construction. Additionally, the Tribes fund efforts to meet environmental constraints and numerous other factors related to the management of the forest. The proposed forestry initiative will have the Colville Reservation.

1. 360 primary jobs and 600 secondary jobs would be lost.

2. The unemployment rate for the tribes will rise from the present 46 percent to a disasterous 66 percent. 3. The total payroll loss to the Tribes will be \$14.5 million per vear

reduction is particularly insuppor-4. Perhaps most seriously, will table in light of the proposal to be the impact on the overall functioning of the Colville Tribal government. These proposals will have the effect of reducing the total budget from 40 to 60 percent. The primary effect of this reduction will be the devastation of the Tribe's core management system, including funding for the following: Executive Director, accounting, personnel, enrollment, housing, audits, insurance, solid waste, donated foods, senior wood supply, and burial and fire grants. The reduction in these core management systems would necessarily cause the Tribe to be out of compliance for our federal and state grants and ontracts The dismantling of the Colville's core management system and budget reductions would then either cause the elimination or curtailment of the following essential governmental services provided by the Tribes: tribal court, tribal prosecutor, parole and probation, reservation attorney, legal aids, Colville Tribal Enterprise Corporation, law and order program, fish and game program, planning department, education department, Headstart program, tribal libraries, and child weltare. The loss of these programs will have to be borne necessarily by either federal or state programs. 5. The budgetary and financial impacts of the proposed forestry initiatives would require the Tribes to quickly exhaust their reserves and curtail programs. It is projected that these initiatives would bankrupt the Tribe within a period of three years. At the Makah Reservation the impact on the Tribal budget is severe, but even more acute impacts may be felt in the off-reservation economy. It is estimated that the proposed forestry initiatives will result in a reduction in harvested timber of 8,700,000 board feet each year (58 percent reduction). Stumpage payments used to fund tribal governmental operations will be reduced by 23 percent. Approximately 50 on-reservation jobs will be lost accounting for approximately \$1,000,000 in salaries. Because the

timber is processed off the reservation, the impact in the surrounding community will be the loss of 110 jobs with total salaries of \$2,000,000.

The Warm Springs Tribes, who manufacture their own timber, will have an estimated reduction in their annual harvest of about 20,000,000 board feet. The estimated reduction of revenues to fund governmental operations as a result of the forestry initiatives will be approximately \$5,000,000 per year. The Warm Springs tribes estimate that 150 jobs will be lost on the reservation with a total salary of \$3,000,000. Many of these jobs are those of non-Indians living near the reservation. The Tribes are the largest employer in the northern central Oregon area.

For the Navajo Tribes, the estimated decrease in the annual harvest would be 13,000,000 board feet. The impacts on the reservation would be particularly severe at Navajo because the effects are concentrated on the reservation because the reservation is large and selfcontained. Tribal economic output would decrease by an estimated \$29,000,000 annually resulting in the loss of 318 jobs with an esti-mated salary of \$11,000,000.

Conclusion

These Indian forestry initiatives, when considered in conjunction with initiatives relating to the transfer of educational responsibilities, tribal trust funds management responsibilities, and other bureau initiatives, constitute the greatest threat to tribal existence since the termination acts of the 1950s. It appears to be a determined, well planned effort to dismantle the Bureau of Indian Affairs and alter the basic trust relationship between the federal government and the Indian tribes. The proposals are ill advised and should be immediately withdrawn by the Assistant Secretary.

"Privatization" and its ilk have been tried by the Bureau previously under different names. Most recently, during the termination era we saw similar attempts by the Bureau to escape its responsibilities under the trust relationship. Similar arguments were made that "this is good for the Indians," "other agencies or concerns are better able to manage these resources than the Bureau," "these actions are in the best longterm interests of Indians." The results at Klamath, Menominee, and a asterous. It is ultimately the land base of Indian tribes that provide them with a physical and spiritual base for their continued existence as Indian tribes. These initiatives threaten the very foundation of that land base for over 100 years. Finally, we are very concerned with the arrogance that has been shown in developing and implementing these proposals. They appear to be an attempt to implement many of the misguided proposals, that have generally been rejected by Indian country, that were contained in the report and recommendations of the Presidential Commission on Indian Reservation Economies in 1984. The Assistant Secretary, who chaired that Commission, appears to be going even beyond radical changes proposed by that Commission. A good example is the current proposal of the Assistant Secretary to "privatize" management of tribal trust funds by transferring the Bureau's responsibility for that function to the Mellon Bank. The Assistant Secretary is proceeding with this proposal despite the objections of Indian tribes. This is despite the Presidential Commission recommendation that this step only be taken "with tribal concurrence." The policy of tribal concurrence as recognized by the Indian Self-determination Act no longer appears to be a part of the Assistant Secretary's program.

Swimmer's proposals receive approval.

The Indian Forest Resource

Indian forests are important to many Indian tribes and the communities surrounding their reservations far beyond a mere description of the number of acres involved and the annual allowable cut. For many reservations (approximately 25) timber is the primary natural resource and source of income. The tribe's economy, system of government, and continued existence absolutely depends upon proper management of the forest. For many other reservations (approximately 90) the forest resource is not the primary natural resource on the reservation but is very significant and any major changes in the BIA forestry programs would still have a devastating impact on the reservation and the tribe. Apart from purely monetary considerations, the history, the culture, and the roots of the Indian people are tied to these forests. Many tribes have lost their arable lands through the allotment process and through opening reservations to homesteading. This loss of millions of acres of Indian lands from the 1890s through the 1920s is viewed by both Indians and non-Indians as a national tragedy. Current BIA initiatives may well have the same impact when it comes to Indian forest lands.

These Bureau forestry initiatives also strike at the heart of the trust

will mean that the timber sales that are completed will not be administered as well and will result in irreparable damage to the forests. Even now the lack of personnel has resulted in an insufficient monitoring of timber sales.

Budget cuts in forestry will result in multiplied adverse economic impacts for the reservation and surrounding communities. Many communities in and surrounding Indian reservations are highly dependent upon the harvest of the full allowable cut on the reservation.

Finally, it is important to remember that Indian forests like national forests have many important noncash flow returns. These non-cash flow returns may be severely impacted by the cut in timber sales administration funds. Forests are important to Indian people for a host of non-commercial reasons including religious use, hunting, fishing, root digging, berry-picking, recreational, and spiritual use. Each of the these uses is dependent on the proper management of the forests for their continued use. For many reservations the forest is the main source of Indian employment. Nonprofit motives provide important direction for the management and development of Indian forests.

Administrative Fees

The Bureau proposes to use administrative fees to offset a portion of the reduction in timber sales admini-

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Tribes seek cooperation, not confrontation. Congress, through the enactment of the Indian Self-Determination Act, and in its appropriations over the past 15 years have certainly fostered this cooperative relationship and it has resulted in marked improvement in Indian forest management. These proposals mark an about face in that effort.

1970s when the issue of Bureau's

mismanagement of Indian forests

loomed on the horizon. Litigation

was both filed and threatened. To

head off litigation and to remedy

some of the mismanagement prac-

tices the Bureau agreed to apply

the administrative fees that it had

been collecting to activities intended

to improve the management of

Indian forests. Tribes were a part

of this cooperative effort through

their matching contributions to

The current Bureau initiative seeks

to dissolve the cooperative rela-

tionship that has developed over

the past 15 years. In doing so the

Bureau should realize that they are

inviting the litigation that the pol-

Indian forest management.

cy was included to avert.

\$3.15 million reduction in special forest development program

The proposed budget reduction of \$3.15 million out of the special Forest Development program is a classic example of being "penny wise and dollar foolish." The Bureau's own analysis shows that this "savings" will have the followig effects:

1) The time to complete the forest development backlog will be extended by an additional 4.9 years from the current projected date of 1995 to a new projected date of the year 2000. (It should be noted that the Bureau has yet to meet its projection dates.)

2) A schedule of treatment at the reduced funding level indicates a loss of 2.4 years of growth that will never be recovered.

3) Conservative stumpage value loss ranges, not even taking into account the effect of inflation, indicate a loss of between \$8.1 million and \$13 million.

4) There will be a loss of between 1,207 and 1,931 man-years of employment and an estimated personal income loss ranging from \$25.1 million and \$40.2 million based upon standard Forest Service calculations for economic impact.

5) There will be an undetermined loss due to attack from insect and disease in overstocked stands.

6) There will be an undetermined loss in forage production.

The losses become even more staggering when viewing the impact on the individual reservations. For example, on the Warm Springs Indian Reservation where funding levels for this program have ranged from an inadequate level of \$300,000 to \$600,000 per year, the projected cut will result in an annual decrease of revenues to the Tribes of approximately \$5,000,000. The situation is similar at the Colville Reservation which now has a backlog of 80,000 acres. Implementation of this initiative will decrease income on the Colville Reservation by approximately \$5,000,000 per year.

\$700,000 reduction in area office forestry funding

Area Office forestry operations are critical to Bureau/Tribal timber



Reduction in annual harvest on the Warm Springs Reservation may total 20 million board feet.

TISPID I HAN WINDOWS