

**Progress Report
Intertribal Monitoring Association
on Indian Trust Funds**

Part I

**RECONCILIATION, AUDIT AND CERTIFICATION
OF TRIBAL AND INDIVIDUAL TRUST FUND ACCOUNTS**

In the sections that follow we will summarize the activities and results of the oversight and advisory efforts of the Intertribal Monitoring Association ("ITMA") with respect to the Government's responsibility to Reconcile, Audit and Certify the historical accounting for Tribal and Individual Indian ("ITM") Trust Funds Accounts. In doing so, we will relate the status at some of the more significant times with brief commentary on how and why some of the changes in approach have occurred. In reviewing this report it will be helpful to keep in mind the objectives the process is intended to serve. The first objective is to meet the fundamental requirement of any trustee which is to provide a full and accurate accounting of all transactions affecting a beneficiaries account. Secondly, when all required adjustments affecting historical periods ended September 30, 1992 have been made, the then adjusted statements of accounts are to provide a basis for settlement of under (over) payments of account. (It must be noted, however, that issues of value of collections for sales or use of natural resources or unresolved questions of ownership as reflected on the sale or lease document are beyond the scope of the reconciliation and will require additional analysis to determine a complete basis for final settlement). And lastly, the reconciliation process is to satisfy the legislative mandate that all Tribal and individual Indian Trust Fund accounts be reconciled, audited and certified.

October 1990

Two separate Requests for Proposals (RFP) for reconciliation and audit work were prepared. The RFP for audit was subsequently withdrawn.

May 1991

The Government entered into the contract with Arthur Andersen & Co. under which Phase I of the reconciliation work was begun.

January 28, 1992

Arthur Andersen & Co. (Contractor) made a report of findings from work performed on reconciliation procedures, document location and three pilot ITM locations with preliminary estimates of a range of costs to complete. The status of things at that point were:

Reconciliation

It is helpful to remember the substantive meaning of reconciliation as used here, in the original contract and wherever reconciliation is used as distinct from the now added special agreed-upon procedures. Precisely, it means a comparison of the accounting information shown on some accounting source documents in the collection and accounting chain to the actual recording on the books of the Government to verify the accuracy of the accounting transcription. No more, no less. So it is clear that this effort does not and is not intended to verify the accuracy of data on which that source document is based or even if the underlying data was correctly transcribed on the source document.

Tribal accounts -- Arthur Andersen has proposed a very limited scope that failed to address a number of points of error that exist in the collection, accounting and distribution process. Little, or no work, to be performed with respect to ownership and value of sales and leases of Trust Assets.

IIM accounts -- same as above with expressed concern as to whether it could ever be performed effectively; and, if so, it would require prohibitive time and hundreds of millions of dollars.

Audit

No plan.

Certification

No plan.

Based on this report and other oversight activities, ITMA, in its Concept Paper of April, 1992, recommended that the reconciliation effort be suspended and that alternative approaches be sought. Further meetings and discussion were held, with little or no progress, until a meeting was arranged with Mr. Ed Mazur, Chief Financial Officer of the Government and Mr. Frank Hodsell, Deputy Director of the Office of Management and Budget on August 7 and 8, 1992.

August 7 and 8, 1992

At this meeting ITMA presented its recommendations for proceeding with the process. As a result of these discussions, Mr. Mazur directed that the Contractor and the BIA consider ways to expand and improve the reconciliation process preparatory to a meeting to be held at the earliest date possible.

October 8 and 9, 1992

At this meeting there was full discussion of the limitations of the reconciliation process, suggestions to expand the scope of work and other alternatives to the suggestions of ITMA made in August. At the conclusion of the meeting it was the decision of the government to proceed as follows:

Reconciliation

Tribal accounts -- to proceed with an expanded scope that would test the accuracy of the accounting back to the value and ownership shown on the originating sale or lease document (lease agreement). It is important to note that upon completion of the process, Tribes will be provided pre-report adjusted statements of account to review over a period of ninety days for any omitted adjustments. Tribes will also have access to the Contractor and its workpapers to evaluate the completeness and accuracy of work on the Tribal accounts.

ITM accounts -- to refer this matter to a special committee to be created by the Bureau to develop a program to accurately report historical transactions to individual Indian account holders.

Audit

Tribal accounts -- in lieu of an audit performed by an independent accounting firm, the contractor will perform special agreed-upon procedures in addition to the basic reconciliation that could provide additional comfort as to the accuracy of the reconciled accounts. Further the Government will perform this same work with negotiated additional custom procedures for five selected Tribes to gain experience in reaching agreement and settlement with the Tribes. ITMA disagreed with the Federal government's decision not to carry out an audit. However, it recognizes that given the uncertain state of the BIA's records, any approach is problematical. ITMA therefore negotiated with OMB and the BIA for a reconciliation that is accompanied by 1) a review of the lease, land records and other source documents, (called 'filling the gap'), 2) application of a number of special agreed-upon procedures in the nature of audit procedures, 3) the right of each tribe to have 90 days to review the draft findings and working papers from the reconciliation and filling the gap procedures and to negotiate corrections or settlement at the tribe's discretion, 4) a certification process of the reconciliation and filling the gap, to be carried out by an independent CPA firm, and 5) a pilot special procedures process with five tribes in which the tribe and the BIA negotiate customized review procedures that are similar to an audit. Given the uncertainties involved, ITMA also recommends that the issue of whether or not to convert these steps into a full audit

needs to be revisited after completion of the five pilot special procedures. ITMA also recognizes that some tribal leaders continue to strongly oppose any process that fails to include a formal audit.

Certification -- No decision on this date. However, in November Mr. Mazur concluded that a certification of the reconciliation and Report on Application of Special Procedures could and should be performed, if acceptably designed, to be an important addition that could materially strengthen the quality control features of the process.

December 17 and 18, 1992

At a meeting in Albuquerque, the Bureau and the Government met with ITMA staff for discussion and comment on drafts of the expanded reconciliation and special procedures work and related reports. After two days of discussion the Contractor was to undertake revisions to reflect agreed changes and additions for further review and comment which has been done and is now under final review by ITMA. Before, and since this date, ITMA has been working with Mr. Mazur and his associate Mr. Norwood "Woody" Jackson on the Certification effort and are in good general agreement.

February 22, 1993

It has been a long and difficult road, but it is felt that much meaningful progress has been made since mid-1991 to reach the status that exists at this date as follows:

Reconciliation

Tribal accounts -- it has been expanded to test amount and ownership data on collections back to the base documents for amount and ownership. Among other things, the expanded reconciliation work will include:

- Investment Transaction - The placement and maturity of funds in investment instruments will be reviewed on an exception basis to ensure that account balances were not improperly affected by such transactions.
- Investment Interest - Investment interest yields will be calculated for each year and compared to bench mark rates to identify potential errors in interest earnings. Unusual fluctuations will be investigated to determine if amounts were properly posted.
- Overnighter Interest - Overnighter interest postings will be recalculated based on posted U.S. Treasury rates and daily cash balances for each account.

- Proforma calculations of interest income on uninvested funds will be made and summarized for discussion purposes. This calculation is an estimate of what might have been earned had funds been invested and yielded returns comparable to the Tribal investment portfolio.

IIM accounts -- the Bureau has established its IIM committee that includes Government and Indian representatives. The first meeting of that Committee will be held in Albuquerque on March 2-4, 1993.

Audit - in lieu of audit, the Contractor will perform special agreed-upon procedures and report thereon. Illustrative of the special procedures are:

- Statement histories for Tribal accounts will be reviewed and potential problem areas identified and investigated by noting unusual fluctuations in revenue streams, large or unusual disbursements, etc.
- Disbursements will be tested during the reconciliation by tracing the amount, date and account number of the disbursements to the request for withdrawal from the Tribe and the related Tribal resolution.
- The Tribal Plan will be reviewed to ensure expenses were in accordance with the plan for judgment accounts. Budgets prepared by Tribe X will be reviewed for non-judgment accounts to ensure expenditures were proper for that appropriation.

Certification - an independent accounting firm will be selected to certify the reconciliation and special procedures work of the Contractor.

Additional (Phase II) - ITMA and others have always insisted that the reconciliation, audit and certification process, while important to establish the accuracy of the accounting and the fairness of the investment activities at the Office of Trust Funds Management, it does not reach what may well be larger issues of the value received for sale and lease of resources and errors in the ownership records of the Bureau of Indian Affairs that must be resolved before a final settlement of the Bureau's stewardship through September, 1992. Nor has there been a program to review the Department's many resource management programs as a basis for recommended improvements to insure that such issues are avoided in the future. In response to these concerns the Bureau has agreed to, and is in the process of defining a project to perform professional review of all resource management programs to better inform the reconciliation,

audit and certification process, and to produce recommendations for required changes in the asset management programs.

Provision of Historical Unadjusted Statements of Accounts.

It is believed that provisions of these statements with a related confirmation procedure would constitute as an effective, if not more effective, procedure, whether performed by the Bureau or by the Contractor, for identification of underpayment issues as any now contemplated. It has been ITMA's recommendation that the statements be provided to permit Tribal analysis and review over a ninety day period after receipt. Any errors, omissions or questions could then be noted in response to one account confirmation procedure. The Bureau has not yet agreed to immediately provide these statements. It is concerned that it does not have the staff to adequately and timely respond to the issues that could be brought to their attention. Therefore, it proposes to provide the statements to the selected five pilot tribes to gain experience as to the workload and staff required to respond to all matters that might be raised by all Tribes. We share the Bureau's concern; however, that simply reinforces the concern that follows and further indicts the Governments failure to properly staff OTFM with particular reference to its Quality Assurance Program.

Bureau Staffing

The Bureau has the responsibility to resolve all issues discovered by the Contractor, or brought to the attention of the Contractor, by the Tribes. It does not appear that there is now sufficient accounting staff to permit timely resolutions of issues so that the Contractor can hold to its already optimistic schedule of completing Tribal work by mid-1995.

Certification

It is important that the work of the certifying firm be performed contemporaneously with the work of the Bureau and the Contractor to insure a full and fair evaluation of the process. We have a concern that funding can be had and contracting effected in time to permit this important "in progress" review.

Program Reviews

We believe this Phase II project has the potential to significantly inform the reconciliation process and the IIM Committee deliberations. Again, the concern is that there be rather immediate funding and contracting to realize these important near-term benefits.

ITMA Oversight

As we have stated, the reconciliation process has real potential. The potential will only be realized in the performance. It is important that there be early and continuing oversight to fairly evaluate and report to the Tribes on the interim findings reported by the Contractor. Funding for continuance of ITMA's oversight and advisory activities through Fiscal 93 now under review, needs immediate attention and approval.

Part II

THE STRATEGIC PLAN FOR IMPROVING THE MANAGEMENT OF THE BIA OFFICE OF TRUST FUND MANAGEMENT

In January of this year, the BIA issued the latest draft of (in the form of an advance copy) of its strategic plan for improving the management of trust funds. While the central focus is on improvements in the BIA's Office of Trust Fund Management, it also addresses, to some degree, activities at the BIA area and agency levels. This latest draft is now on hold pending its review by the next Assistant Secretary for Indian Affairs, though work on specific components is moving forward even without finalization of the plan

The Plan is divided into three sections:

1. Internal changes in OTFM and at the agency and area levels in order to improve the way the BIA collects, accounts for, invests, distributes, and provides information to account holders on Indian trust funds. This includes human resources, new systems, new organizational structures, etc.
2. Resolving past accounting and distribution problems. This is the reconciliation and certification component that was discussed in Part I of this paper.
3. Assisting tribes and IIM account holders to achieve their self-determination and economic development goals, consistent with the Federal government's fiduciary responsibilities. This section focuses on possible alternative methods that could be made available to enable tribes and individual Indians to assume greater control over their trust funds. This section includes options similar to those contained in legislation Congressman Synar introduced last year and in a proposal circulated by former Commissioner Matheson in January regarding investing trust funds in banks on or near reservations.

ITMA had an opportunity to comment on and have input into the various drafts of the plan. Also, copies of the July draft were sent to all tribes for comment. It is ITMA's position that there is much valuable material in the latest draft plan that ITMA supports, particularly the self-determination sections.

However, ITMA has several significant concerns regarding the contents of the strategic plan.

1. Implementation

The plan contains numerous complex tasks that will require substantial and highly qualified staff, additional funding, and most important, serious commitment to full implementation of the plan from the senior officials in the BIA, Interior and OMB. Without such commitment, the plan will be nothing more than another in a long series of failures by the Federal government, stretching over a 150 years, to address its gross violations of its trust responsibility. ITMA was not convinced that the necessary commitment existed at the top levels of the Interior Department in the previous administration. One test of the new Administration's intentions in regard to trust responsibility may be to what extent it embraces the OTFM strategic plan and provides the high quality staff and the funding needed to enable the plan to be implemented.

Institutionalizing OTFM Management Outside OTFM

The plan as written also institutionalizes a decision by the outgoing Administration to divest OTFM with much of the authority and responsibility for trust funds administration and management. The Memorandum of Agreement or Memorandum of Understanding between the BIA and USGS recited on page 7 should absolutely be revisited by the new Administration, after listening to the views of ITMA and other account holders and tribal officials. Likewise, the entire concept of lodging authority for the reconciliation and certification efforts, as well as the systems development activities, with a BIA Trust Management Special Projects Team headed by a Special Assistant for Special Projects reporting to the Deputy Commissioner should be reviewed de novo, by the new Secretary, Assistant Secretary, and Commissioner or Deputy Commissioner only after hearing countervailing considerations from GAO, Congress, ITMA, and other tribal officials.

We are aware of the views of some senior career officials within the Department that only USGS (in fact, only a single individual within that agency) can be entrusted with the systems development work for OTFM, and that that individual has successfully negotiated an arrangement whereby his talents will be available only if he is allowed to report directly to the Commissioner or Deputy Commissioner.

From our perspective, it is difficult to look upon this situation as a totally benign one. For more than two years, we have tried with every means at our disposal to cooperate with the previous Administration in improving the capabilities of OTFM. The Washington level has stymied every effort to enhance the capabilities of that office. In the meantime, the Washington level has dispatched representatives of the Minerals Management Service, the BIA Finance Office, American Management Systems (who

was disbarred by EPA), USGS, and maybe others we are not aware of to perform services for OTFM with absolutely no indication that these people understand either the functions or the duties, much less the future plans, of Indian trust funds administration.

People at the Washington level have explained to us that the MMS programmers were out of work; the Finance Office people understand the Federal Finance System; the USGS people can get stuff by GSA; and AMS was very helpful in designing the Automated Finance System (AFS) of the Minerals Management Service. It seems to us that if a fraction of the effort that has gone into trying to superintend these efforts from afar had gone into supporting the efforts that tribes have been told were being supported in terms of enhancing the capabilities of the office that exists solely to perform these functions, we would be much further down the road today. Of course, a good number of merit bonuses for people back East might not have been so readily available if credit were given where the work is actually being done.

Particularly egregious, it seems to us, is the effort reflected in this plan to institutionalize the systems development work for OTFM outside of OTFM, in a Special Projects Team reporting to the Deputy Commissioner. At a board of directors meeting of OTFM in Rapid City only two months ago, it was emphatically agreed to by the tribal officials present that improvements in trust funds administration must not be allowed to be driven by systems-oriented people; rather, trust funds managers, in consultation with account holders, who will be the principal users of the systems, must drive the selection and development of such new systems as are needed.

We realize that this sentiment is categorically rejected by career officials within the Department who have been calling the shots on these matters, and that they honestly believe that only systems people can be trusted to make these determinations. We believe that this attitude has been responsible for much of the Bureau's notoriety over the past twenty years in ADP procurement and development generally; in IRMS deficiencies; in facilities management; in minerals revenue accounting; in financial administration of appropriated funds; as well as in systems work for the former Division of Trust Funds in the Office of Trust Responsibilities.

ITMA has previously communicated to OMB that, while we have been in the forefront of those critical of the Bureau's administration of our monies over the years, we also believe that intellectual honesty as well as simple fairness requires that we insist that those officials actually charged with performing these duties be treated fairly as well. The present system is magnificently designed to allow persons far removed from the actual performance of these duties to siphon off whatever kudos and bonuses may be available for what goes right, and to be conveniently removed from the spotlight when mistakes are to be reckoned for in future years.

At the very least, we fervently hope that the new Administration will agree to hear our concerns in this area before committing to institutionalizing a Special Projects Team with authority to conduct much of OTFM's business, without benefit of an approved organizational change (DM-130), while the absence of a DM-130 approved by the very officials who set up the Special Projects Team is cited as the reason for not providing OTFM with the staff acknowledged by the Plan as necessary for successful operations.

Annual Audits of OTFM Operations

While the trust fund portfolio is some 2 billion dollars, the volume of transactions conducted by OTFM each year is some 95 billion dollars. Page 24 of the Plan recites that some \$4 billion dollars of transactions are executed annually. This understates the magnitude of the operation by more than two hundred per cent, and is no small factor in the consideration of this issue.

This issue has been hashed out vigorously with the previous Administration, and the decision has been not to contract for an independent audit of OTFM's operations for the period 1991-1993, but to utilize the present reconciliation contractor (Arthur Andersen & Co., who conducted the audits for the years 1988-1990) to perform limited reviews of those years and to issue special purpose reports for 1992 and 1993, leaving 1991 virtually unexamined. The thinking is that, since an unqualified opinion cannot be expected in any event, there is no sense in conducting an audit. Besides, Arthur Andersen is already on the scene, familiar with the operation, and could perform the meaningful portions of whatever work a new auditor could perform without having to go through the expense and time-consuming efforts of contracting for a new audit firm.

We believe their views that an audit should be performed; it may be hypocritical for the government to say that the CFO Act is going to provide an "overarching framework" for this effort, but that some three hundred billion dollars worth of transactions are not going to be audited. The willingness or unwillingness of the government to continue with annual audits of OTFM's operations is something of a litmus test of the moral probity the government brings to this enterprise, notwithstanding any high-flown rhetoric in Strategic Plans about fiduciary duties and utmost care and highest standards, etc.

Other tribal officials and finance officers have expressed the view that the party truly calling the shots on this issue is the contractor who thinks he has seen a way to avoid an independent review of his work, while at the same time significantly expanding the scope of his own engagement.

All this is not so say that, if properly planned and implemented, the procedure presently proposed could, in fact, serve most of the important purposes that an audit would serve. We simply cannot say with confidence at this point that it will, in fact,

be properly planned and implemented. To the contrary, we are concerned that the Special Projects Team reporting directly to the Deputy Commissioner does not have either the background or the expertise to provide effective oversight to the effort.

Part III

CLEANING UP THE INTERIOR DEPARTMENT'S MANAGEMENT OF INDIAN TRUST ASSETS AND MAXIMIZING THE USE OF THOSE ASSETS FOR INDIAN ECONOMIC DEVELOPMENT

I. Introduction

The BIA Office of Trust Funds Management (OTFM) manages land claims judgment funds and income collected from tribal and individual Indian owned trust assets (land, oil and gas, hard rock minerals, timber, etc.) With few judgment fund cases remaining, the bulk of the collections these days is in the form of income from the trust assets. The Strategic Plan for cleaning up the Office of Trust Funds Management addresses issues that arise once the monies are in the hands of the BIA. However, the Tribal and BIA officials responsible for addressing the BIA's mismanagement of trust funds quickly came to realize that the problems involved at the OTFM level represent only one link in a very long chain.

It is believed that as much, or likely more, Indian money is lost as a result of mismanagement of the trust assets and the income-related functions, such as leasing, billing and collecting lease, royalty, and similar payments. Examples of these problems include: 1) poor land records, due in part to highly fractionated ownership, that results in payments going to parties other than the owner; 2) the failure to lease large numbers of acres because of inadequate systems to identify all land under BIA control; 3) the failure to collect monies due because of poor accounts receivable systems, an MMS system not designed to properly address Indian oil and gas lease collection, and other systems and personnel-related problems.

In sum, the Federal government is in gross violation of its trust asset management responsibilities, just as it has been in the management of trust funds, except that the latter problem is more visible and has therefore received more attention. However, the more serious breach of the trust responsibility likely is at the nitty-gritty level of managing and collecting income from the trust assets. It was determined that the Federal government and the tribes should initiate a second strategic plan, (called Phase II) in addition to the one (already written) to clean up the trust fund management; this one to clean up the management of the trust assets.

The trust responsibility, however, goes beyond the obligation not to mismanage the trust funds and assets. It requires the trustee to use the trust assets for the best and highest use of the beneficiary. The trust assets and trust funds represent

capital assets that tribes and individual Indians can use to promote economic development on their reservations. However, for a variety of reasons, generally tribes and Indians have largely been passive lessors of their trust assets and the Federal government has done little to assist them to become active users of those assets. Yet by being active users (farming rather than leasing, drilling and operating oil and gas wells, etc.) tribes and individual Indians will be able to substantially increase the economic benefits they receive from their trust assets -- in the form of increased Indian employment, income and economic power. At a November 1992 meeting called by Senator Inouye and the then deputy director of OMB, the Congressional, Federal, and tribal representatives agreed to explore the possibility of a Phase III effort, which would involve the drafting of a long-term strategic plan to assist tribes and individual Indians actively use their trust assets (consistent with the principles of self-determination) and thereby increase the economic benefits they receive from them.

The Phase II and Phase III plans are discussed in greater detail below.

II. The Trust Asset Management Strategic Plan (PHASE II)

A. Status

The former Deputy Commissioner authorized the BIA staff and tribal representatives to begin work on developing the subject matter of and approach for a trust asset strategic plan. A number of workgroups have been outlined (see discussion below) and the director of Special Projects under the Deputy Commissioner, (Joe Christie) who was given lead authority, is working with tribal representatives to flesh out the issues. However, the concept needs to be approved by the new Administration. In addition, no funds have been earmarked in FY 93 to get the process started. Unless funds are identified, the process will not get beyond the conceptual stage this fiscal year.

B. Approach

Because of the wide ranging area the Phase II strategic plan must cover, coupled with the technical complexity of many of the issues, it was agreed to establish a series of workgroups, staffed with Federal and tribal representatives who have expertise in a particular area. The tentative list of workgroups is set out below:

1. Realty, (which includes land records and related issues) -- This work group will focus on ways to clean up the system for keeping track of land ownership. In addition, it will seek ways to have as much of the land records processing work done at the agency/tribal level and to give persons at that level maximum access to the ownership information (largely by downloading data from centralized BIA mainframes to agency/tribal level PCs). In

addition to BIA realty staff, expertise will be drawn from those tribes that have contracted the realty functions for their reservation and therefore have experience managing those system.

2. Fractionated heirship

This taskforce will focus on developing proposed solutions to the problems cause by fractionated heirship, which contributes to the cost and complexity of the management of trust assets. This effort will build on work already started by several Indian and BIA task forces and likely will result in recommendations for legislative as well as administrative changes.

3. Minerals

There will be two minerals workgroups, one focusing on minerals resource management and one on minerals revenue management.

The minerals resource management workgroup will focus on the responsibilities shared by the BIA and BLM to lease and oversee the exploration and extraction of minerals on trust land. For example, it will review the adequacy of the processes put into place to address the theft of oil from Indian land that made headlines ten years ago.

The minerals revenue management workgroup will focus on the responsibilities of the Minerals Management Service and the BIA to collect, account for, audit and disburse monies collected from minerals activity on Indian land. A 1992 House Interior Committee report highlighted numerous deficiencies in this area.

4. Timber Management

This workgroup will focus on the BIA's systems for managing, harvesting and selling timber on trust land. The Intertribal Timber Council has done a great deal of work in this area and is expected to take the lead.

5. Surface management

This workgroup will focus on farming, grazing, rights-of-ways and other surface uses of trust land that produce income. the Intertribal Agriculture Council has done a great deal of work in this area and is expected to take the lead.

C. Program Reviews

Because of the inconsistent and sometimes sparse data on the systems and processes used to manage and collect income in these various areas, coupled with the inconsistencies in systems from Area to Area (and probably agency to agency) the Phase II process would initiate a fact-finding device called a program review in each of these substantive areas --land, timber, minerals, etc. The program reviews will identify how these management tasks are

now being carried out and, relying to a great extent on the vast knowledge that exists in BIA agency and tribal employees working in these areas, identify the changes that are needed, and the personnel, budget, training and other resources needed to implement the changes and thereby produce a system that meets the Federal government's trust responsibility in these areas.

III. The Long-Term Plan for Actualizing the Trust Responsibility (PHASE III)

Phase III would involve a long-term continuing effort to identify and provide those tools tribes and individual Indians need in order to become active users and managers of their trust assets and thereby increase the economic benefits to Indians that flow from those assets. Much of what needs to be done is already under way on various reservations throughout the country. More and more tribes are operating farms rather than just leasing out their farm lands. Various oil and gas tribes are exploring the idea of buying back the oil and gas leases and operating the production themselves. Tribes are examining ways to become active participants in the energy industry rather than just granting leases to produce the oil, gas, coal and other fuels that then are used for the production of electricity.

The purpose of the Phase III effort is to identify all of these areas, determine what has already been done, identify what the Federal government can do to increase activity in these areas, either by removing barriers or by providing financial and technical resources to assist, and provide information to tribes so they can take the appropriate lead in this area.

On November 9 1992 Senator Inouye hosted a meeting that among other things addressed that issue. Participants in the meeting included Congressional representatives, BIA and OMB officials, and tribal representatives. The participants agreed to proceed with an effort in this area. A very initial outline of the areas to be covered by that strategic plan is now being developed. However, before this initiative can move forward, the new Secretary of the Interior and his assistant secretaries must review the concept and determine if they are going to continue the Executive Branch's participation in this effort.

In concluding this summary report, the ITMA Board and its Staff invites your careful review, questions, comments and support now and in the future.