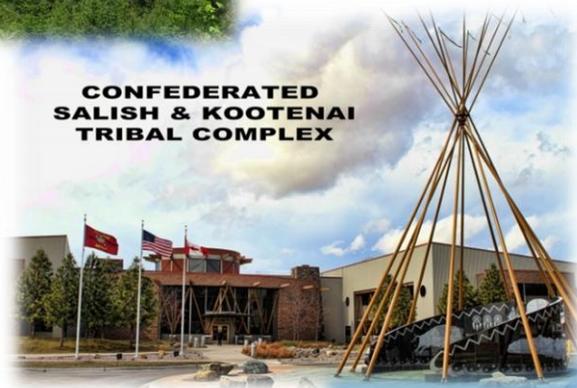




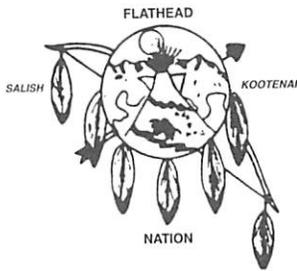
DRAFT

2012 Land Consolidation Plan for the Purchase of Fractionated Interests in Allotments

Confederated Salish and Kootenai Tribes



Prepared by the CSKT Tribal Lands Department for
Funding Consideration by the Department of Interior's
Deputy Secretary using the Cobell Trust Land Consolidation Fund



THE CONFEDERATED SALISH AND KOOTENAI TRIBES
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A People of Vision

A Confederation of the Salish,
Pend d' Oreilles
and Kootenai Tribes

November 6, 2012

The Honorable David Hayes
Deputy Secretary
Department of the Interior
1849 C. Street, NW
Washington, DC 20240

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RE: Confederated Salish and Kootenai Tribes Request to Receive Direct Funding – Cobell Settlement Trust Land Consolidation Funds

Dear Mr. Hayes:

The Confederated Salish and Kootenai Tribes (CSKT) are responding to your Tribal Leader letter dated October 17, 2012, wherein you informed us of the ongoing plans at DOI to implement the Cobell Settlement's Trust Land Consolidation Fund and solicited our input for a proposed model as the Department of Interior plans for full Cobell implementation.

Today, the CSKT purchase lands using a variety of funding mechanisms. We use hard Tribal funds, Bonneville Power Administration (BPA) funds and Indian Land Consolidation Act (ILCP) Recoup funds. The CSKT Tribes participated in the July 2011 Billings Regional Consultation and we have been preparing for this unique opportunity since that time. Please allow us to describe the diligence that has occurred at CSKT since the July consultation.

Our first action item was to verify the Flathead fractionated interest owner number represented in the draft Cobell plan on page 33. We emailed the Ashland ILCP office (Brenda Walhovd, February 17, 2012) and inquired about the Cobell report number and if Ashland retained the query information. They did not have the query results nor did they know who originated the query. We then attempted to reach the same number of Flathead fractionated interests running a query from the TAAMS system, with the assistance of the TAAMS help desk. We requested the data query parameters and that the actual data export be provided to the Tribes, so we could do tract validation. The query information was not provided, so we undertook our own query and we did not achieve the same results (unique number of owners). Keep in mind that the CSKT have TAAMS access and were the first Tribe in the country to manage our own Title Plant.

Following that, the CSKT Tribal Lands Department team held a conference call with your staff, Darryl LaCount and Steve Graham on March 12, 2012 to again discuss the parameters of the data that were used in the draft July 2011 report. While we discussed the data elements in the DOI query, the DOI staff was not able to fully describe the DOI process that determined CSKT's fractionated ownership number. Based on our conversation with DOI staff, we ran our own queries and then verified each tract in each category to ensure

the tract equaled 100% or 1/1. We then determined the unique owners in each of these categories and compared them to the DOI data. This labor intensive process took three (3) months. The data was then sorted by the DOI categories (*2 – 10 owners, 11 – 19 owners, etc*) and a unique count of owners (minus fee interests) per category was achieved.

Based on this tract and owner validation, the correct number of trust interest owners at Flathead is **closer to 1295 rather than the published number of 670 in the draft July Cobell Report (page 33 of the report)**. Therefore, with 1295 Flathead fractionated interest owners the Confederated Salish and Kootenai Tribes are in the top 25 Tribes out of 158 Tribes represented in the Interior report, in terms of total unique owners.

After identifying what we believe to be a more accurate number of unique owners, we then used the CSKT GIS system to map the fractionated interests on a CSKT Land Status Map. This geographic representation quickly illustrated that an entire reservation appraisal at this time is not cost effective as the majority of the fractionated interests are in four economic and geographic areas or zones.

Following the identification of the zones, the CSKT staff met with the Office of Appraisal Services staff from the Northwest Regional Office to develop a statement of work for a Project Data Appraisal Report (PDR) that will target the zones created by the mapping of fractionated interests. The result will be a PDR report for the zone with a summary appraisal for the particular allotments within the PDR area.

We believe this approach is cost effective and will meet the Uniform Standards of Professional Appraisal Practice (USPAP) standards. The maintenance of this report and appraisal will be straightforward as long as area sales data is kept current. The CSKT Tribes are working with a federally certified general appraiser on the first zone as a pilot approach. The contract appraiser began this work in September/October 2012, with funds authorized by the CSKT. We have committed Tribal funds to this effort because the end result is so very important to us.

Since 2006, the Tribes have continued to work on land consolidation using ILCP Recoup funds. Most recently in July 2012, we acquired both subsurface and surface interests, using a recently completed mineral valuation study. Tribal Lands Department (TLD) staff communicates closely with the ILCP Ashland Office and we are eager to learn the new ILCP- program module within the TAAMS system. Our determination to do land consolidation for the benefit of our Tribes has never been stronger.

After determining the number of interests, the actual zones and the appraisal approach, TLD staff then developed a parcel ranking sheet that can be used for priority acquisitions. It is included in the attached CSKT plan. It incorporates many of the factors that drive land consolidation. For example, economic development, management areas, social considerations such as elderly owners and cultural and historic sites can be ranked by Tribal resource specialists. This ranking sheet could be adapted for use by other Tribes in determining their priorities. We believe that our approach, appraisal strategy, acquisition plan and ranking sheet may be a best practice model that could have nationwide application.

Our plan also incorporates some of our earlier recommendations that CSKT made in the DOI consultation process such as a minimum purchase price of \$50.00 for small acquisitions and the development of a standard fee (seller's fee) to motivate sellers. In one recent ILCP situation, the seller would receive 39 cents. It is the Tribes -and Interior's- best interest to establish a minimum purchase price or seller's fee.

In addition, the CSKT Tribes are prepared to obligate hard Tribal funds to acquire fee interests if full parcel consolidation and control are achieved. The CSKT are prepared to earmark hard Tribal dollars for the purchase of fee fractionated interests, if the Flathead plan and request for funding is approved.

As you and your team seek Tribal input and evaluate potential models, we extend an invitation to you and your staff to visit the Flathead Indian Reservation to discuss the potential of the CSKT renewing the earlier mr.

cooperative agreement which enabled the Tribes to purchase fractionated interests under the formerly funded ILCA program.

In the draft U.S. Department of the Interior (DOI) Cobell Land Consolidation Program Draft Plan, the CSKT were not immediately identified as one of the most highly fractionated land areas. That is because CSKT has been doing land consolidation and aggressive land acquisition purchases with Tribal funds for many years. Also, with the corrected 1295 number referenced above, our ranking within the overall total moves up. We believe the CSKT should be funded as we are capable of doing the work and our goals are consistent with Cobell Land Consolidation Program strategies.

At any moment, we are evaluating, ranking and prioritizing acquisitions, evaluating funding requirements, seeking appraisals and carrying out complicated Title and insurance issues.

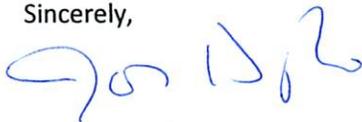
My Tribal government formally requesting a pilot or direct funding option (cooperative agreement or other agreement) so the CSKT can assist the DOI in its goal to accomplish land consolidation. The CSKT have access to the TAAMS system and we have professionally undertaken this important work in a credible, accountable and transparent manner for years. Our plans for Cobell related fractionated interest acquisitions are based on a funding request of at least \$1.5 million annually over a 10 year period. We believe that the CSKT should be a prime entity to receive direct funding from Interior to enable us to do outreach and acquisition for CSKT Tribal members.

As the deadline approaches for final Cobell decisions, we are prepared to assist the Department by offering credible cost effective models and input to support the DOI commitment to Cobell Land Consolidation.

The CSKT want to be the first participating Tribes in land consolidation when the Cobell Settlement is final. With your permission and support, we would like to present our work to the Secretarial Commission on Trust at the December 2012 meeting. Our approach as described in our plan is designed to achieve cost effective results. Again, this is a model that can be adapted to other Tribes.

The CSKT look forward to meeting with you and others to discuss how our Tribe can support the DOI goals in facilitating and accomplishing fractionated interest acquisitions thereby eliminating this problem for future generations.

Sincerely,



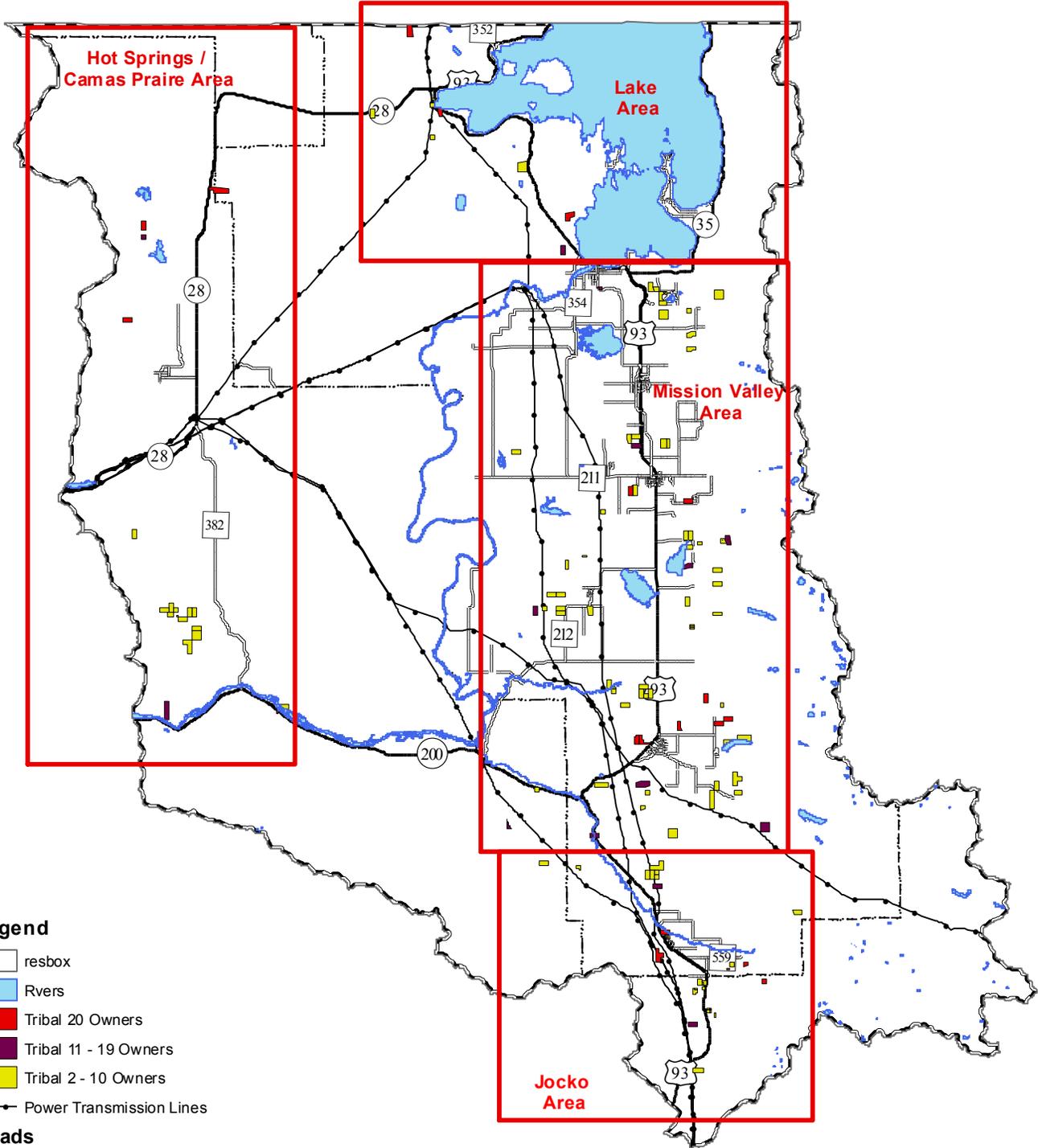
Joe Durglo, Chairman

Enclosure

Copy – Stanley Speaks, NWRO BIA Director (*with draft plan*)
Fawn Sharp, Secretarial Trust Commission (*with draft plan*)

Flathead Reservation - Project Data Appraisal Report

Economic Zones



Legend

- resbox
- Rivers
- Tribal 20 Owners
- Tribal 11 - 19 Owners
- Tribal 2 - 10 Owners
- Power Transmission Lines

Roads

- Primary Hard Surface Roads
- Secondary Hard Surface Roads
- Reservation Boundary
- County Boundary

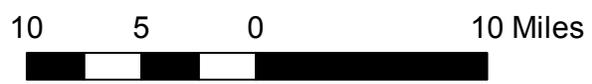




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Purpose and Need

Introduction

Over the past several decades, the administration and control of fractionated ownership allotments on the Flathead Indian Reservation (Reservation) has become increasingly difficult. As of April 2012, there were approximately 1,295 fractionated interest owners in 328 Reservation allotments. The administration of these lands is becoming more costly, and the ability to develop them for economic purposes or other uses is often challenging. Left unaddressed, they represent a serious long-term management problem.

The purpose of this plan is to outline a strategy for purchasing and consolidating fractionated interests. It focuses on the acquisition of highly fractionated allotments and is consistent with applicable Federal and Tribal policies. It does not address land acquisitions of single ownership allotments or fee simple tracts. Nor does it address descent issues associated with the Indian Lands Consolidation Act Amendments of 2000 or the American Indian Probate Reform Act of 2004.

“ The purpose of this plan is to outline the strategy for purchasing and consolidating fractionated interests. It focuses on the acquisition of highly fractionated allotments. ”

Goal

The overall goal of this plan is to guide and streamline the purchase of fractionated interests, in a manner that supports the Tribes' goals for economic development, social wellness, and resource protection. This work must also advance the Department of Interior's (DOI), Cobell Land Consolidation Program goals and strategies. The plan objectives are to:

1. Establish an acquisition strategy and priorities to guide the purchase of fractionated interests.

2. Target the purchase of those fractionated interests that will bring the Tribes to a full or majority ownership in the allotments.
3. Employ a ranking system for scoring the potential purchases of fractionated allotments based on Tribal social, economic, and resource protection goals.
4. Seek and secure long-term funding for operating a Land Consolidation Program that will significantly reduce the fractionated ownership problem.
5. Pursue opportunities to streamline and reduce the costs of appraisals required for purchasing fractionated interest.
6. Pursue initiatives to promote the interests of sellers.
7. Implement a reservation-wide education program to inform fractionated interest owners about Tribal land consolidation activities and opportunities, estate planning, and will-writing services.
8. Implement a reporting and monitoring system for evaluating and documenting performance.
9. Refine operating procedures to carrying out an efficient Land Consolidation Program and provide quality customer services.

Public Involvement (Pending)

The public involvement process to obtain input on this plan began when the Tribal Council approved the draft plan for public review and congressional support on November 1, 2012. On November 5, 2012, pursuant to the Tribal Administrative Procedure Ordinance 86B, the Tribes notified the public that the Draft Plan was available for review with written comments to be received by the close of

business, November 30, 2012. Written comments submitted by this date will be considered in preparing the final plan document.

Land Consolidation Policies

The following policies apply to the acquisition of fractionated interests in Flathead Reservation allotments:

- 25 CFR §151. The regulations in this part of the Code of Federal Regulations outline the authorities, policy, and procedures for the acquisition of land in trust status for Tribes and individual Indians. Relevant to this plan is a provision governing the purchase of fractionated interests by a Tribe in trust status. It states that these purchases can be approved only if:
 - The Tribe already owns a fractionated interest in the same parcel of land; or
 - The interest being acquired by the Tribe is in fee status; or
 - The Tribe offers to purchase the remaining undivided trust or restricted interests in the parcel at not less than their fair market value; or
 - There is a specific law which grants to the particular Tribe the right to purchase an undivided interests in trust or restricted land without offering to purchase all of such interest; or
 - The owner of a majority of the remaining trust or restricted interests in the parcel consent in writing to the acquisition by the Tribe.
- Indian Land Consolidation Act Amendments of 2000. This measure gives Tribes the authority to purchase all or part of the interests in any tract of trust land within the Tribes' reservation with the consent of owners of over 50 percent of the undivided interest in the tract.

- American Indian Probate Reform Act of 2004. This act facilitates, through probate, the consolidation of fractionated interests and ownership of those interests into usable parcels. This law allows small interests in land to pass exclusively to single heirs when there is no will involved, and allows greater flexibility for individuals and Tribes to consolidate and acquire interests during the probate process. The measure makes the Department of the Interior’s Land Acquisition Pilot Program permanent and allows a Tribe or a co-owner to request a sale of a highly fractionated parcel of land for the purposes of making that parcel whole under one individual owner.
- Tribal Land Ordinance 45-B. The Land Ordinance provides for the consolidation of lands to improve the economic base and manageability of lands for the Tribes and Tribal members. It establishes priorities for the purchase or exchange of lands based on land type or need.
- Cobell Land Consolidation Program Goals. The Cobell Class Action Settlement Agreement of December 9, 2009 provides a \$1.9 billion Trust Land Consolidation Fund to purchase fractionated interest in allotments. The goals of this program are to consolidate interests in highly fractionated areas and implement a plan that is time and cost efficient.
- Indian Reorganization Act of 1934. Congress enacted the IRA to reduce federal control of American Indians and to increase tribal self-government. The act sought to reverse the damage caused by the General Allotment Act by returning surplus lands (lands not taken for allotments or homesteads) to the Tribes. It gave Indians the power to create their own governments and manage their internal affairs.



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Existing Conditions

Fractionated Interest in Allotments

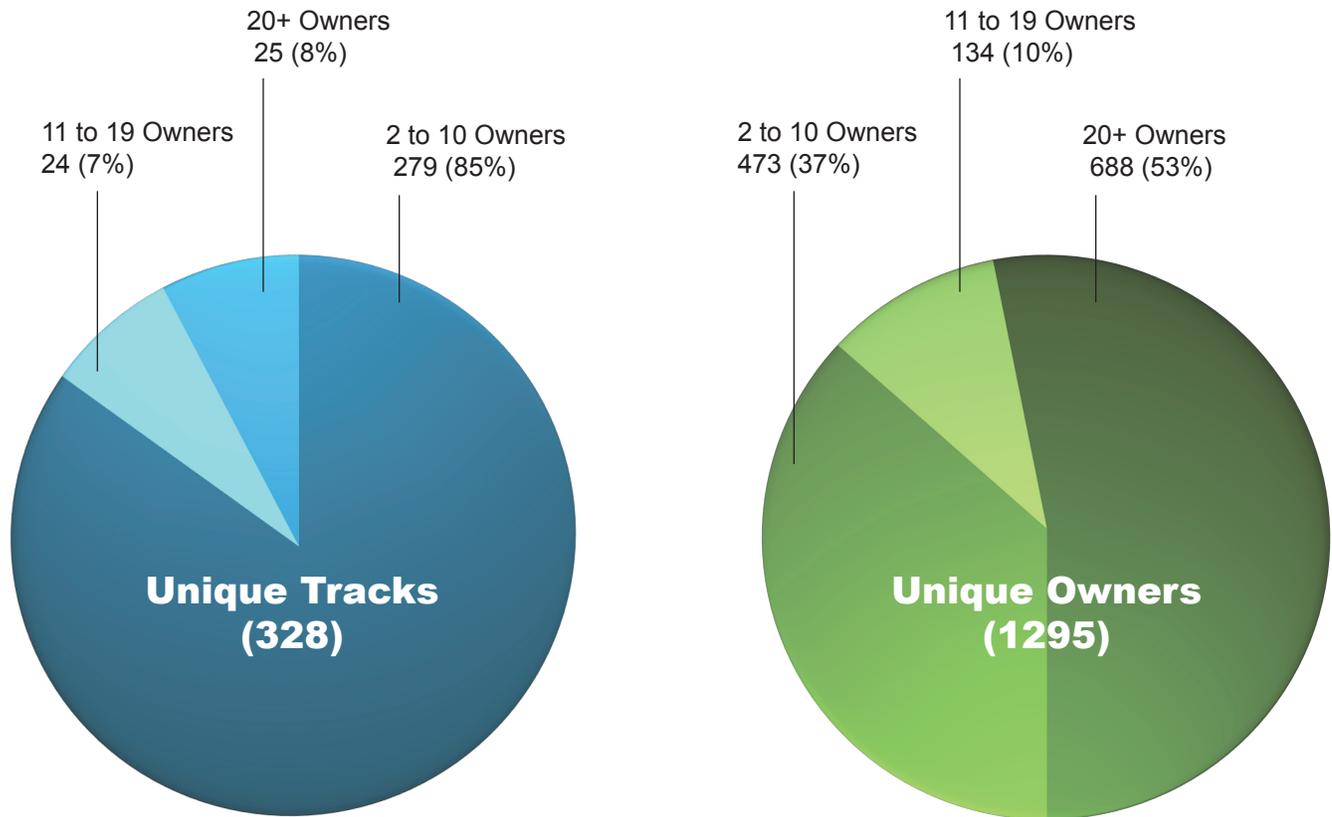
The Treaty of Hellgate on July 16, 1855, established the 1.24 million-acre Flathead Reservation and reserved its lands exclusively for the Confederated Salish and Kootenai Tribes. The Dawes Act of 1887 and the Flathead Allotment Act of 1904 ended this exclusive right by creating allotments for individual tribal members and opening the Reservation to homesteading. The inheritance provisions of the original allotment acts, combined with ensuing Federal policies and actions relating to the inheritance of allotted land, played a key part in creating the fractionated title problems that exist on the Reservation today.

For many Reservation allotments, the number of fractionated owners has increased substantially since the mid 1900s. When the owner of an allotment dies, Federal regulations allow title ownership to be divided up amongst the heirs, and although the land can be physically divided, this rarely happens. As such, Indian heirs have received undivided interests in allotments, and as the land has passed from generation to generation, the number of fractionated-interest owners has grown considerably.

Administering the large number of fractionated ownerships on the Reservation is an enormous task. According to Tribal records, there are a total of 1,247 allotments that typically range in size from .08 acres to over 743.2 acres. The majority (74 percent) of these tracts are owned by one individual Indian. However, 26 percent or 328 allotments have more than one owner who owns an undivided interest in the tract. Eighty-one allotments have 50 or more owners, and one allotment has 146 owners.

“ Three-hundred-twenty-eight allotments have more than one owner who owns an undivided interest in the tract. Eighty-one have 50 or more owners, and one has 146 owners. ”

Through the processing of TAMMS data obtained in April of 2012, the Tribes produced fractionated allotment and ownership numbers that could be compared to data contained in the DOI, Cobell Land Consolidation Draft Plan. Figures 1a and 1b provide a breakdown of the total number of fractionated allotments and unique owners within allotment categories according to our analysis of the data.



Figures 1a and 1b. Breakdown of fractionated allotments and unique owners.

In their Draft Plan, the DOI reports a different number of unique owners in fractionated allotments on the Reservation. The DOI Draft Plan states there are a total of 670 unique owners of fractionated tracts. We have determined there are 1,295 unique owners—an amount nearly double that cited by the DOI.

As the number of owners increases in a parcel, each owner receives less revenue from their land, and the costs for administering the parcel increase. Many fractionated-ownership allotments on the Reservation have administrative costs higher than the income generated from them. Given the current and projected Federal budget situation, it will become impossible for the Tribes to cover the costs of managing the parcels if fractionation continues to grow.

The difficulty in developing fractionated parcels for specific economic or other uses is another problem. Federal policies require the consent of owners having a majority interest in an allotment before approving an agreement that allows commercial, industrial, agricultural, residential, or other uses. When an allotment has several fractionated owners, it can be difficult for the parties to reach agreement on long-term use of the

property. Examples are the fractionated-ownership allotments near Flathead Lake, along commercial corridors, and within prime farmland areas, most of which have not been developed to their full economic potential.

Land Consolidation Program Activities 2004 to 2012

Curbing the growth of fractionated interests in allotments requires, among other things, an aggressive and adequately funded land consolidation program. The Tribes had such a program from 2004 to 2006. Funded by the DOI, Bureau of Indian Affairs (BIA), this Pilot Project was operated pursuant to a cooperative agreement that allowed the Tribes to assist the Secretary of Interior with the purchase of fractionated interest in trust on behalf of the Tribes. Our participation in the project allowed the us to gain considerable knowledge and valuable experience.

During the three-year period of the Pilot Project, the program made substantial progress in acquiring fractionated interests within Reservation allotments. The Tribes spent over \$3.2 million acquiring 338 fractionated interests, returning 5 allotments to 100 percent Tribal ownership and creating a majority Tribal ownership in numerous other parcels. The BIA Land Consolidation Program verified these expenditures and the number of acquired fractionated interests at the end of the project. Revenues generated from the acquisitions were deposited into the Indian Land Consolidation Program Tribal Acquisition Fund (Recoup Account), which is used solely for purchasing fractionated trust interests in Reservation allotments. The project provided funding for two full time equivalent (FTE) positions and two part time equivalent (PTE) positions. It also paid a percentage of the salaries for five positions outside of the Pilot Project that provided technical and administrative support. The combined positions were responsible for managing purchases of fractionated interests and assisting with title examination, title plant recordings, timber valuations, and payment distributions.

Although the 2012 land acquisition program is much smaller, it operates based on the same principles and using many of the same procedures that contributed to a successful 2004 to 2006 Pilot Project. Tribal, Bonneville Power Administration, and ILCA Recoup funds provide substantial acquisition funds for the program. Presently, staff time to operate the land consolidation program consumes about 1,000 worker hours from one FTE position. Program activities generally include:

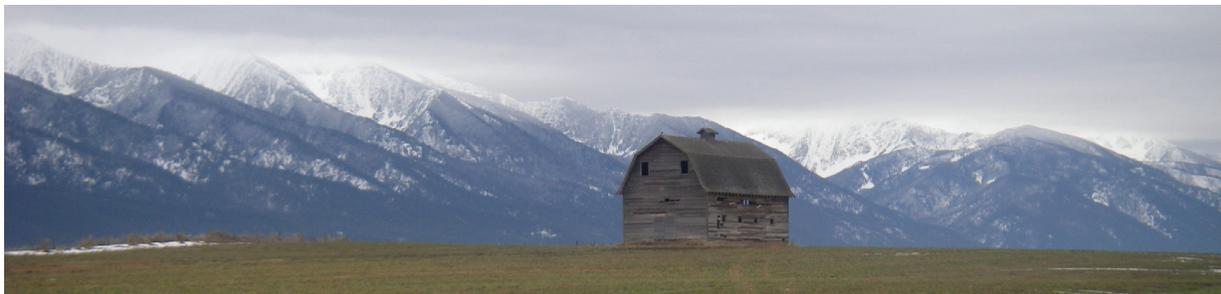
- Appraisals. Typically, appraisals are prepared for single allotments containing fractionated interest. In 2012, appraisal cost for individual allotments ranged from \$750 to \$1,000. The program complies with the Uniform Standards of Professional Appraisal Practice Standards (USPAP) and prepares appraisals, including timber values, as directed by the Office of the Appraisal Services (OAS). A valuation of mineral resources must be provided for the purchase of a mineral estate when severed from the surface estate, but is not needed if the surface and mineral estates are combined in a purchase.
- Public Outreach and Education Programs. Outreach to fractionated interest owners was a strong component of the DOI ILCO pilot project. Today, there are fewer opportunities for outreach or educational activities, and staff use mailings or make personal contacts to provide detailed information regarding the purchase of fractionated interests.
- Pre-purchase evaluations. The evaluation of fractionated parcels prior to purchase is limited. A spreadsheet containing minimal but essential information is provided to the Tribal Council to evaluate the purchase of fractionated interests. Information contained on the spreadsheet includes a list of willing sellers and their ownership interest, the appraised value of the purchase, the amount of Tribal ownership in the parcel, and other incidental information.
- Monitoring and Reporting. Quarterly and

year-end reports showing the total amount of fractionated interest purchased in allotments and total amount of funds spent on those purchases are provided to Tribal Administration.

- Program Involvement with other programs and agencies:
 - Tribal Forestry provides information on the value of timber for fractionated interest purchases.
 - Tribal Culture Preservation Office reviews potential acquisitions of fractionated interest allotments to determine if there are cultural interests associated with the parcels.
 - U.S. DOI – BIA Indian Land Consolidation Center sets policies, has oversight, and provides technical assistance for the Indian Land Consolidation Program.
 - U.S. DOI – BIA Indian Land Consolidation Program processes the acquisition of fractionated interests in Reservation allotments. U.S. DOI – The Office of the Special Trustee, OAS performs appraisal reviews and appraisal consulting of real property interests in support of the DOI trust asset management responsibilities.
 - U.S. DOI – Office of Mineral Evaluation (OME) produces mineral valuations needed to determine the mineral contribution to the market value of Indian lands.
 - U.S. DOI – Office of Hearings and Appeals is responsible for the probating of Indian trust estates to ensure individual Indian interests in allotted lands, their proceeds, and other trust assets are conveyed to the decedents’ rightful heirs and beneficiaries.

The acquisition of fractionated interest following the end of the pilot project in 2006 remains a high priority for the Tribes despite revenue shortfalls and declining budgets. Since the pilot project ended, the Tribes have spent nearly \$55,800 from the Recoup Account on the purchase of 21 fractionated interests and \$34,200 in Tribal funds on the purchase of three fractionated interests. These expenditures resulted in the purchase of 24 fractionated interests, returning an additional six allotments to 100 percent Tribal ownership. Since 2004, according to the BIA Indian Land Consolidation Program Coordinator’s letter of July 14, 2011, the program has acquired the equivalent of 581.58 acres through the purchase of fractionated interests. Currently, the program maintains a list of 141 willing sellers, and the Tribal government is committed to providing funding for the purchase of fee interests in allotments and wants to move forward with a more active land consolidation program.

The desire to consolidate fractionated interests is consistent with the Tribes’ recent aggressive efforts on “fee-to-trust” actions. These efforts are all part of the Native Homeland Restoration effort that began with Tribally funded land acquisitions in the 1930s.





Plan Strategy, Priorities and Action Plan

The goal and objectives described in Chapter 1 and the conditions described in Chapter 2 guide the strategy, priorities, and action plans that follow.

Strategy

The strategy for this plan is simply to acquire interests in highly fractionated allotments from “Willing Sellers”. Implementation will involve ranking parcels based on Tribal acquisition priorities and the DOI, Cobell Land Consolidation Program goals and strategies. The strategy promotes the purchases of high priority fractionated allotments located in the same economic area, especially when a purchase will result in Tribal control or ownership of the tract. Focusing on the acquisition of fractionated allotments within an economic area will be more efficient in terms of reducing the costs and time needed for completing appraisals, titling, and performing other administrative activities. We have defined four general economic areas within the Reservation (Figures 2a and 2b).

“ Streamlining the appraisal and valuation processes is key to the implementation of this strategy. ”

Streamlining the appraisal and valuation processes is key to the implementation of this strategy. To reduce the appraisal costs and to provide for a more efficient appraisal process, the Tribes will generate project data appraisal reports from which site-specific summary appraisal reports can be prepared for valuing priority acquisitions within the four economic areas of the Reservation.

As part of the appraisal process (and as needed), the Tribes will continue to use the “Review of Existing Minerals Data for the Flathead Reservation, Montana, July 2011” completed by the USDI, OME, to value the mineral interests of Reservation

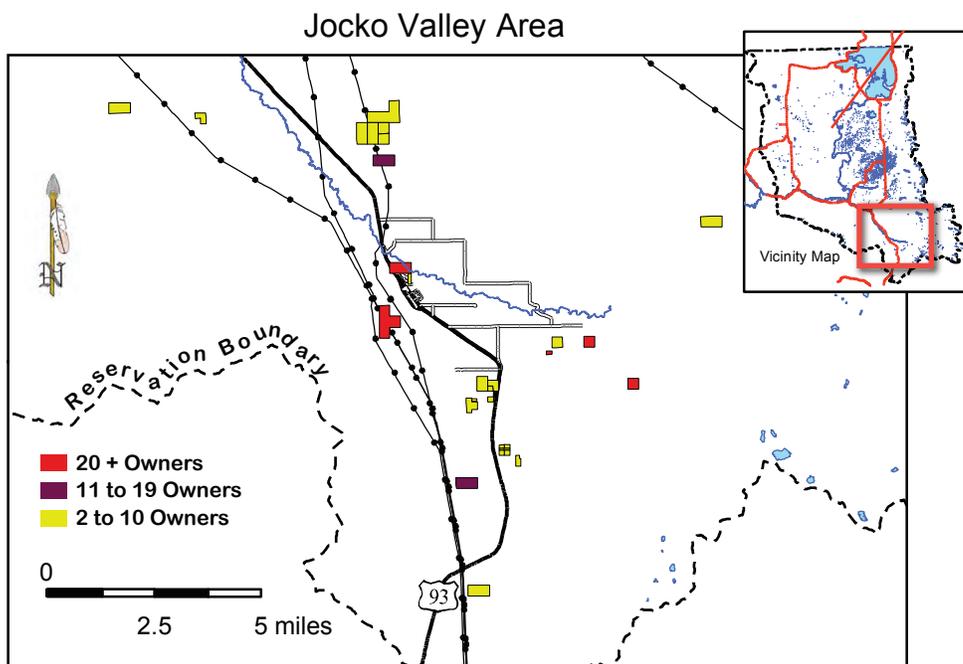
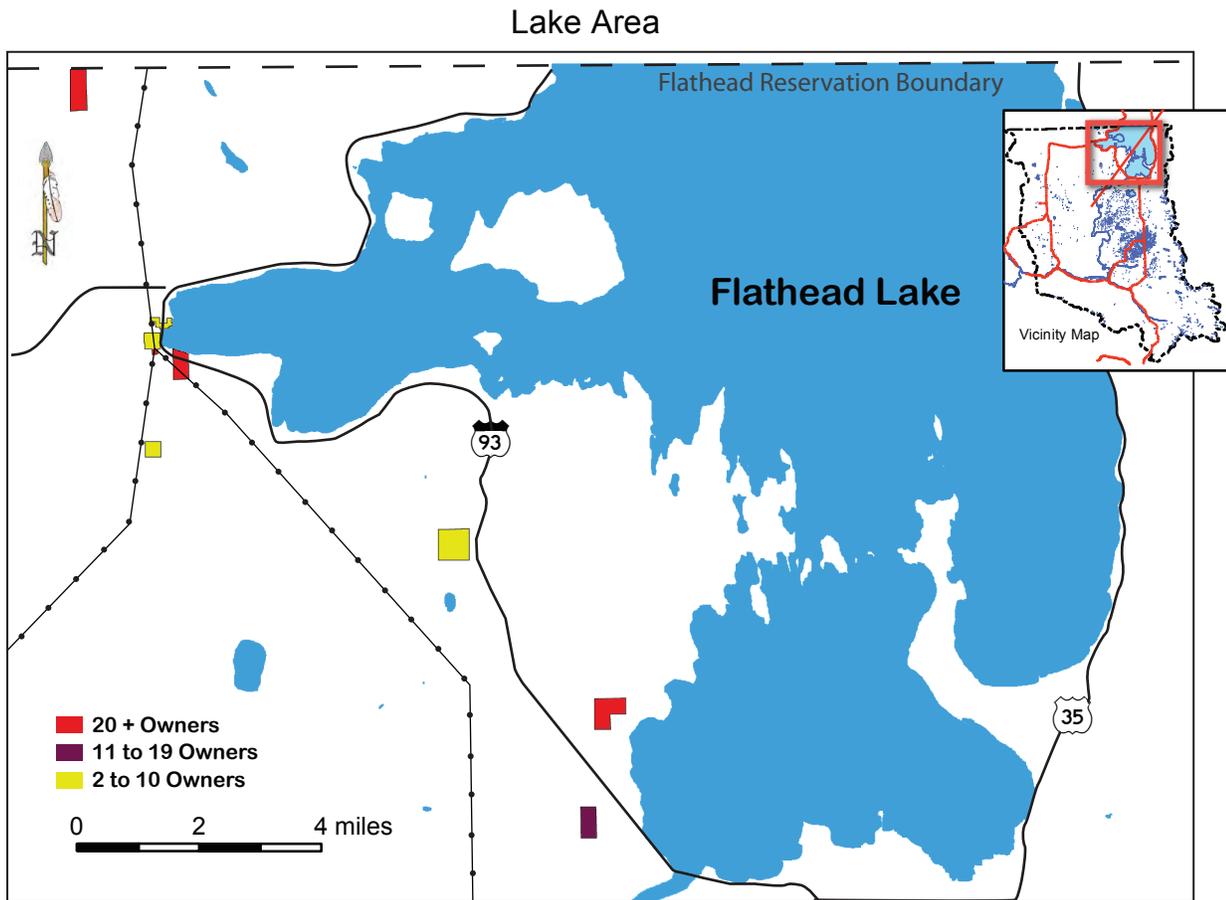
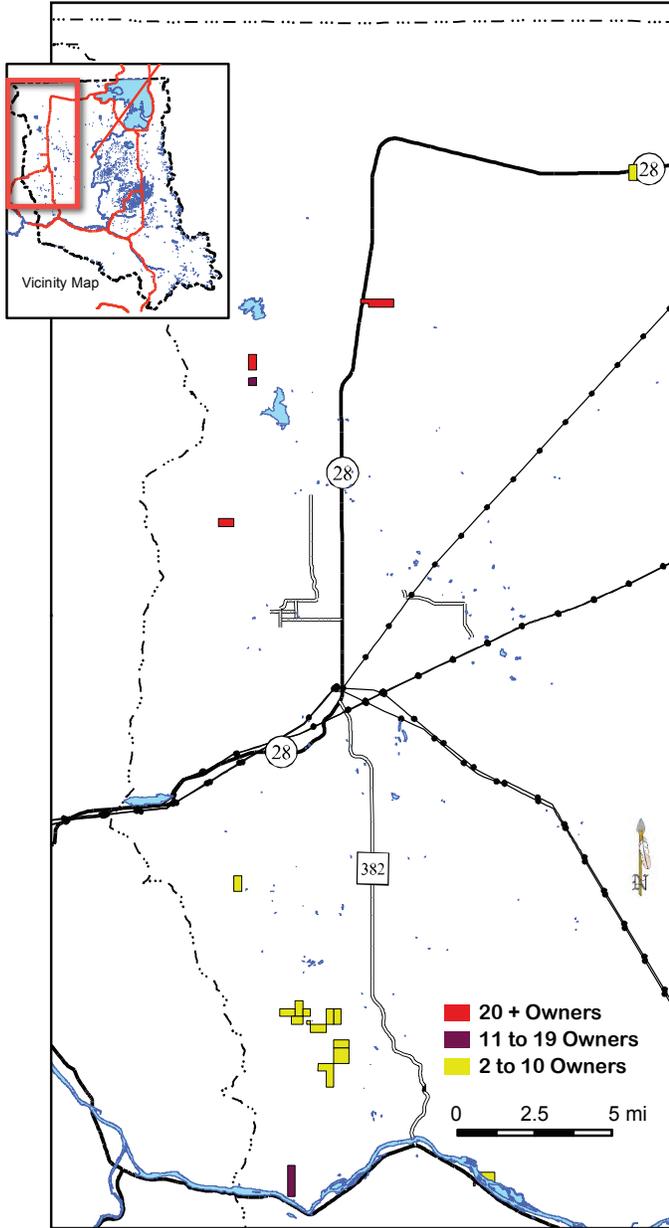


Figure 2a. Lake and Jocko Economic Areas. These maps do not show any allotments that are 10 acres or smaller in size due to limitations in the scale of the maps.

Hot Springs / Camas Praire Area



Mission Valley Area

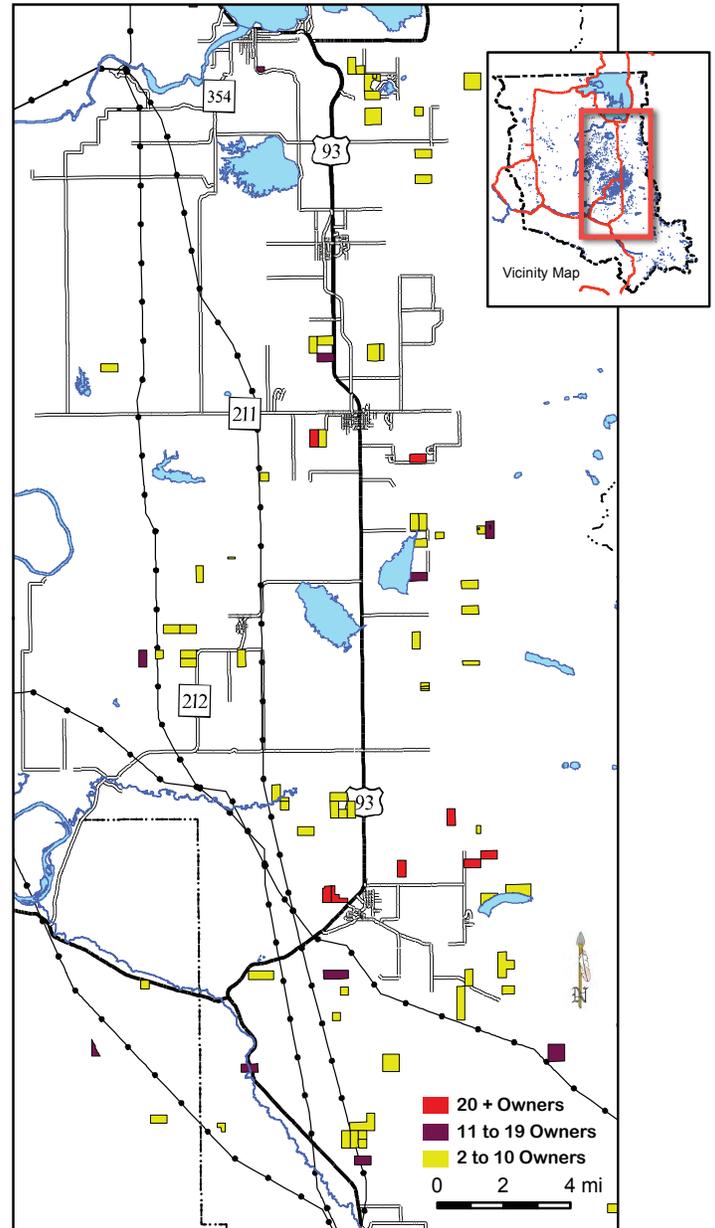


Figure 2b. Hot Springs and Mission Valley Economic Areas. These maps do not show any allotments that are 10 acres or smaller in size due to limitations in the scale of the maps.

Allotments. A value of \$7.50/acre (as established by the BIA) will be applied to tracts having a nominal or no current economic value. For priority acquisitions, identified as having an economic mineral value, OME would need to complete more work to value the mineral estate. The Tribes will request OME technical assistance if this in-depth evaluation is necessary to accommodate a willing seller.

Securing long-term funding to significantly reduce the total number of fractionated interests in Reservation allotments is vital to the success of this plan and DOI goals. We have taken the initial steps to demonstrate capacity and readiness by (1) verifying the fractionated ownership database, and (2) proposing an appraisal approach to the Northwest Regional OAS staff. We have also developed a statement of work and procured an initial zone-appraisal approach called a Project Data Appraisal Report (PDR). This pilot approach supports the acquisition of multiple fractionated interests in an economic/geographical area. Additionally, we have an active ILCA acquisition program and maintain a list of willing sellers.

We have also identified the need to contribute to land consolidation efforts by budgeting for the acquisition of fractionated fee interests so that all of the fractionated interests in an allotment can be acquired. The Tribal Lands Department (TLD) has had those strategy discussions with CSKT elected leaders. We have proposed a minimum payment level as an incentive for trust owners to sell small fractionated interests and have discussed this recommendation with DOI at several regional consultation meetings.

We believe a DOI fund commitment of \$1.5 million annually over a ten-year period for the purchase of fractionated trust interests will produce dramatic results in consolidating fractionated interests.

Under our plan, DOI funds would purchase trust interests, and Tribal funds would target fee inter-

ests. We believe this approach will serve DOI and the Tribes well. We propose a 70 percent reduction in the fractionated ownership over the ten-year period. We feel this reduction, achieved with Cobell settlement funds, is an ambitious goal but attainable. The DOI can directly fund the Tribes to do this important work under a cooperative agreement or other funding mechanism. This is consistent with Tribal Self Governance and DOI goals. **The Tribes respectfully request DOI funding both for trust acquisitions and for keeping appraisals current on an annual basis.**

Priorities

Tribal acquisition priorities will focus on the purchase of highly fractionated tracts that (1) have a greater potential for economic development or revenue generation, (2) consolidate management units or resolve management constraints, (3) provide for the protection of cultural or sensitive resources, or (4) afford economic stability for individual Indian landowners. In addition to the trust interests, the Tribes will pursue the purchase of the fee and mineral interests within priority allotments.

Figure 3 shows the Land Consolidation Scoring Table we developed for this plan. The table reflects score values based on the relevant importance of the priority. The highest ranking a fractionated allotment can receive is IA, the lowest is IIID. An example of a high priority purchase would be a fractionated allotment with 20 or more owners which would receive a Tier-1 ranking order of I (the table's highest Tier 1 ranking order). If the same allotment scores 60 points because it has a high economic development value and scores 40 points because it benefits land development, it will receive a total score of 100 points and obtain the highest Tier-2 ranking of A. The final, combined Tier-1 and Tier-2 ranking for this tract would be IA, and as such, it would be a highly recommended tract for the purchase of fractionated interests.

The scoring table also shows the percentage of acquisition funds obligated for the purchase of each frac-

Land Consolidation Priorities and Scoring Table

Allotment No: _____	Location: _____	Tier 1	
		Ranking	Final Tier
		Order	2 Ranking
# of Acres: _____	% Tribal Ownership: _____	<input style="width: 50px; height: 20px;" type="text"/>	<input style="width: 50px; height: 20px;" type="text"/>
Owner No: _____			

Tier 1 Priorities

Fractionated Owners in Allotment

Acquisition fund %	Number of Owners	Ranking Order
20%	20+	I
20%	11 to 20	II
60%	2 to 10	III

Tier 1 Order

Tier 2 Priorities

Priorities:	Max Points	Score
Economic Development/Revenue Generating Tracts (timber, agriculture, commercial, industrial, etc.)	75	_____
Culturally-Sensitive Tracts	75	_____
Socially beneficial tracts (Elderly-owned, financial hardship, etc.)	75	_____
Eases Administration (Cobell strategies) (provides controlling interest, eliminates IIM account, results in purchase of 100% of a landowner's interest)	50	_____
Sensitive Area tract (Wildland or buffer zone areas, Wildlife habitat, aquatic lands, etc.)	50	_____
Benefits Land Development or Management (provides essential access, resolves management constraints or issues, consolidates management units, results in 100% tribal ownership, etc.)	50	_____
		Total _____

Tier 2 Final Ranking
 > 75 points = **A**
 51 - 75 points = **B**
 26 to 50 points = **C**
 1 to 25 points = **D**

Final Tier 2 Rank

Figure 3. Land Consolidation Scoring Table.

tionated ownership allotment category at the onset of the program in FY 2013. As indicated, 20 percent of the acquisition funds will be applied to the purchase of allotments in the 20+ ownership category, 20 percent to the 11 – 20 ownership category, and 60 percent to the 2 – 10 ownership category. This distribution of funds is based on the number of allotments in each category. Presently, there are nearly 280 allotments in the 2 -10 ownership category and less than 50 in the other two categories combined. Thus, there is a greater likely hood for purchases of fractionated interest in the 2 – 10 ownership category, and more funding will be required for these acquisitions.

The Land Consolidation Program will use the table to rank potential acquisitions of fractionated interests relative to the Tribal acquisition priorities. The

program will also modify the table’s components or score values when needed to address changing conditions or priorities over time.

Tribal resource specialists will develop evaluation criteria to rank the resource, administrative, and social components contained in the Tier 2 Priorities. An example of criteria developed for scoring rangelands is shown in Figure 4.

To gain Tribal control of highly fractionated parcels, priority will be given to (1) purchasing tracts where the Tribes already have a large ownership percentage, (2) working with owners who own a large interest in a tract, and (3) working on purchases with owners who have purchasable interests in more than one allotment.

Example			
Rangeland Economic Evaluation			
Property Name: _____			
Rangeland percentage of tract	<input type="text" value=""/>	max points	Score
1. Does the predominate vegetation consist of native grasslands and pasture grasses?		20	_____
2. If noxious weeds occur on the premises, what is the overall infestation level? trace = 15 pts low = 10 pts moderate = 5pts heavy = 0 pts		15	_____
3. Are the property fences, corrals, and improvements in a good, functional condition?		10	_____
4. Are there adequate stockwater sources located throughout the premises?		10	_____
5. Do terrain conditions allow full utilization of the property?		5	_____
6. Is the premises accessible to Tribal agriculture communities and services?		5	_____
7. Does the premises contain sufficient cross fences to allow for a rotational grazing system?		5	_____
8. Does the premises adjoin other Tribal property? (yes = 10 pts)		10	_____
9. Is there a significant USDA CRP, CSP, or WRP opportunity for the pa (yes = 10 pts)		10	_____
		90	Total 0
10. Total score divided by 90 =	<input type="text" value="0%"/>		
Adjusted Percentage equals percentage in Item 10 above times rangeland % =	<input type="text" value="0%"/>		

Figure 4. Example of Rangeland Economic Evaluation.

As a final point, program efforts will focus on increasing public education and outreach, and developing standard operating procedures and reporting requirements to evaluate program activities.

Action Plan

This plan has six action items:

1. Program Enhancement
2. Public Education and Outreach
3. Appraisals
4. Land and Resource Evaluations
5. Program Evaluation and Monitoring
6. Funding Mechanism

Each item has an expected outcome and a specific set of tasks for achieving it. Also described under each item is the lead party, timeframe, and funding for accomplishing the tasks.

Action Item No. 1 - Program Enhancement

Pursuing opportunities to increase Tribal capacity to efficiently manage a large-scale land consolidation program is an essential component of this plan.

Expected Outcome

A fully functional, advanced program to manage and administer the purchase of fractionated interest in allotments in a manner consistent with the goal and objectives of this plan and the goals and strategies of the DOI Cobell Land Consolidation Program.

Tasks

- A. Seek continued Tribal support for this plan, including the provision of Tribal funding to support the acquisition of fee interests.
- B. Review and determine the standard operating procedures for the acquisition of fractionated interest (including fee, trust, surface, and subsurface).
- C. Develop a funding instrument whereby DOI acquisition funds can be allocated to the Tribes on an annual basis for acquisition of fractionated trust interests and keeping appraisals current.
- D. Explore and seek approval of a capped, minimum purchase price or other seller incentive to encourage the sale of small, low-value fractionated interests in trust surface estates only.
- E. Continue to maintain a list of “Willing Sellers” on the Reservation to include owner addresses and contact information, seller interest by allotment and equivalent acreage, and the allotment appraisal value if established.
- F. Continue to process Land Consolidation Program data using TAAMS data and the Tribes Access database to:

- i. Identify Tribal ownership percentages in fractionated tracts
 - ii. Develop a list of owners owning fractionated interests in multiple tracts.
 - iii. Identify owners who own large fractionated percentages.
 - iv. List contact information for all fractionated owners.
- G. Coordinate with resource specialists to develop specific ranking criteria for resources as they relate to plan priorities.
- H. Establish protocols for the purchase of fractionated interest during probate.

Lead

Land Services Program Manager, Tribal Lands Department Head, Land Planning Program Manager, Range Specialist, Title Plant Manager, and Business Manager

Tribal Funds

\$10,000 proposed for FY 2013 for purchasing fee interests
 Timeframe: FY 2013

DOI Funds

\$1.5 million proposed for FY 2013 for acquiring trust interests
 Timeframe: January 2013

Action Item No. 2 - Public Education and Outreach

Public education will be a major component of the Land Consolidation Program. Enhanced fractionated owner knowledge and greater interest in the program depends on education and outreach activities.

Expected Outcome

- Fractionated-owner awareness of the acquisition process and requirements.
- Substantial increases in the number of fractionated owners who are willing to sell their undivided interest.
- Greater participation by fractionated owners in estate planning.
- More interest and requests for will-writing services relating to trust assets.
- Increases in the purchases of fractionated interests during the probate process.

Tasks

- A. Inform fractionated owners about seller opportunities and incentives, the land acquisition process, seller requirements, probate processes, estate planning, and will writing through the following actions:
- i. Hold one community meeting at the Tribal Headquarters in Pablo.

- ii. Develop a Tribal webpage containing the most current information and program contacts.
- iii. Distribute newly developed and existing brochures at the community meeting and through mailings.
- iv. Personal contacts using contact information contained in the “Willing Sellers” list developed in Section 1, Program Enhancement.
- v. Providing PSAs through local media sources.

Lead

Land Services Program Manager, Tribal Lands Department Head, and Probate Specialist

Funding

Within existing budgets

Timeframe: Ongoing

Action Item No. 3 - Appraisals

Establishing a timely and efficient appraisal process is essential for operating an effective land consolidation program.

Expected Outcome

Cost-effective and streamlined appraisal processes to support the purchase of highly fractionated interests within multiple tracts located within economic areas.

Tasks

- A. Meet and cooperate with OAS to complete PDRs for the four economic areas of the Reservation (Figures 2a and 2b) from which contract appraisers can prepare site-specific summary reports to value targeted acquisitions.
- B. Work with the OAS to ensure appraisal development is in accordance with USPAP standards.
- C. Develop policy with OAS to extend the useful life of an appraisal when market conditions warrant.
- D. Work with the OAS to obtain their review and approval of appraisals within a 30-day period.
- E. Continue to consult with OME on a regular basis to ensure the validity of the OME Review of Existing Minerals Data for the Flathead Reservation for valuing fractionated interest in a mineral tract.

Lead

Tribal Lands Department Head, Title Plant Manager, and Land Planning Program Manager

Tribal Funds

The Tribes allocated \$4,000 for developing a pilot PDR that is currently underway

Timeframe: FY 2013

DOI Funds

The Tribes request that a portion of the proposed \$1.5 million per year in DOI funds be eligible for appraisal related obligations

Timeframe: Ten years

Action Item No. 4 - Land and Resource Evaluations

Ranking potential acquisitions of fractionated land tracts according to established strategies and priorities necessitates developing specific scoring criteria and maps for planning purposes. Having a scoring system in place to help guide acquisitions is also useful when the number of potential purchases exceeds the amount of acquisition funds. Having maps that show the economic zones of the Reservation, the location of fractionated allotments by ownership category within these zones, and the percentage of Tribal ownership within allotments is useful for planning purchases of fractionated interests.

Expected Outcome

Easy to use maps, a priorities scoring table, and evaluation criteria to help guide the purchase of fractionated interest in Reservation allotments.

Tasks

- A. Refine and update as needed the GIS map showing the location of fractionated allotments and ownership categories within the four economic areas (Figures 2a and 2b), and the percentage of Tribal ownership in each of these allotments.
- B. Complete the remaining evaluation criteria (Figure 3) to rank the six resource, administrative, and social components of the Tier 2 priorities shown in Figure 3 by April 1, 2013.
- C. Update or modify the Scoring Table (Figure 3) when needed to address changes in conditions or priorities.

Lead

GIS Program, Tribal Social and Resource Specialists

Tribal Funds

The Tribes estimate the contribution of GIS mapping to be \$3,000, data analysis is estimated at \$2,000

Timeframe: Ongoing unless otherwise noted.

Action Item No. 5 - Program Evaluation and Monitoring

Engaged management requires monitoring the implementation of plan objectives to ensure they are met and to evaluate Land Consolidation Program activities to ensure are achieving expected outcomes. This management approach allows the program and elected leaders to learn from experiences and improve effectiveness.

Expected Outcome

Program activities are evaluated and reported in relation to stated objectives. Program activities and timelines are adjusted when needed to improve effectiveness.

Tasks

- A. Develop monitoring protocols for evaluating program activities to meet plan objectives.
- B. Establish reporting requirements for documenting program accomplishments by plan objectives, purchases relating to plan priorities, acquisition expenditures (fee vs trust), problems, and corrective actions on a quarterly basis for review by Tribal government and DOI.
- C. Refine customer service protocols for meeting with interested fractionated owners, obtaining and providing essential information, directing them to the appropriate staff for specific services, and providing them with a friendly and relaxed work environment.
- D. Revise work plans as needed to correct problems and achieve intended outcomes.

Lead

Land Service Program Manger and Tribal Lands Dept. Head

Tribal Funds

Within existing Tribal budget

Timeframe: March 2013

Action Item No. 6 - Funding Mechanisms

There is an absolute need to acquire DOI Cobell Settlement funds to support the Tribal Land Consolidation Program and provide for purchases of fractionated trust interests. The program will not be able to curtail the growing fractionated-interest problem without a long-term funding commitment.

Expected Outcome

A stable and adequate funding base is obtained from The Cobell Settlement fund to help cover the appraisal and acquisition costs of acquiring fractionated trust interests from all willing sellers over the next 10 years.

Tasks

- A. Pursue an agreement with DOI to obtain a long-term, fixed-funding amount of up to \$1.5 million annually from the Cobell settlement fund to purchase fractionated trust interests and cover the costs of keeping appraisals current over the next ten years.
- B. Continue to acquire trust interests using ILCA Recoup account funds.
- C. Pursue approval of long-term fixed funding from the Tribal budget for the purchase of fee interests in fractionated allotments and administering land-consolidation activities over the next 10 years.

Lead

Tribal Lands Department Head and Land Service Program Manager

Tribal Funds

\$10,000 annually for fee interests (acquired as part of consolidation)

Timeframe: Ten years

DOI Funds

\$1.5 million requested annually beginning January 2013

Timeframe: Ten years

Recoup Funds

\$10,000 annually to compliment overall strategy

Timeframe: Ten years

The Confederated Salish and Kootenai Tribes want to extend a special thanks to the Department of Interior Deputy Secretary for reading and considering this proposal.

