

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

JAN 26 2006



Dear Tribal Leader:

This letter is to inform you about activities in the *Cobell v. Norton* case that has had an effect upon the financial resources available to carry out Indian programs.

In response to plaintiff's motion for attorney fees pursuant to the Equal Access to Justice Act, for activities through the Phase 1.0 Proceeding, the U.S. District Court issued an Order requiring the prompt payment of a "total Interim Fee Award" in the amount of \$ 7,066,471.05. The components of the fee award include:

FEES

Dennis Gingold	\$ 2,007,032.16
Thaddeus Holt	\$ 490,678.40
Mark Brown	\$ 79,947.77
Kilpatrick Stockton	\$ 406,097.60
Native American Rights Fund	\$ 1,502,311.84
Geoffrey Rempel	\$ 40,278.60
Stacy Gingold Bear	\$ 7,929.60
TOTAL FEES	\$ 4,534,275.97

EXPENSES

Price Waterhouse Coopers	\$ 2,531,838.40
Thaddeus Holt	\$ 356.68
TOTAL EXPENSES	\$ 2,532,195.08
TOTAL FEES & EXPENSES	\$ 7,066,471.05

As this interim fee award was not a planned expense, the Department considered a range of options to comply with the Court's Order for prompt payment which was sent to plaintiff's counsel on January 18, 2006.

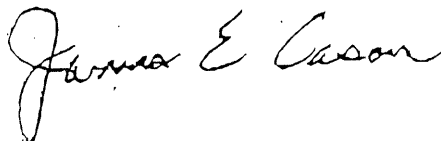
We utilized several sources of funds to pay the fee award. Please be advised that the Bureau of Indian Affairs contributed \$3 million (\$2 Million from an account used to reimburse tribal attorney's fees and about \$ 1million generated by a 0.1% across-the-board retention of program funds, with some exclusions), the Office of Historical Trust Accounting contributed \$ 2million from funds that were targeted to reconcile the ownership of Special Deposit Account funds, the Office of Special Trustee for American Indians contributed \$300,000 of funds planned for trust improvement activities and the Department of Treasury contributed the balance of

\$ 1,766,471.05. To the extent that these funds have been redirected to comply with the Court's Order, these funds are no longer available thus associated program activities will not be undertaken. Please ensure that care is taken to understand whether these financial changes affect your planned program activities.

Should you have questions about these financial matters, please feel free to contact Mary Jane Miller, Director, Office of Management and Budget, [(202) 208-6342] for further information.

Thank you for your patience and understanding.

Sincerely,

A handwritten signature in cursive script that reads "James E. Cason". The signature is written in dark ink and is positioned above the printed name and title.

James E. Cason
Associate Deputy Secretary