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March 21, 2003

Honorable Gale Norton, Secretary
 U.S. Department of the Interior
 1849 "C" Street N.W., MS7229-MIB
 Washington D.C. 20240

RE: Transfer of Flathead Agency Irrigation Project operation and maintenance

Dear Secretary Norton:

The Confederated Salish and Kootenai Tribes of the Flathead Nation (CSKT) and the Flathead Joint Board of Control (FJBC) have been engaged in debate surrounding the Flathead Indian Irrigation Project for many years. This issue was created when the Congress passed the Flathead Allotment Act (FAA) in 1904 and they authorized the Flathead Indian Irrigation Project (FIIP now FAID) to be constructed by the BIA. In 1908 Congress amended the FAA to allow for the irrigation project to be extended to also serve homesteaders who had acquired unallotted fee lands. Congress required those individuals to pay for the cost of extending the project to those unallotted lands and indicated that when the debt of construction for those lands was paid for, "management and operation of such irrigation works . . . shall pass" to the owners of said lands. The fee landholders formed three irrigation districts under state law and operate under the umbrella of the FJBC. Only fee landowners may be represented by the JBC (i.e. no Indian irrigating trust land may be represented). For many years the CSKT and the FJBC have taken divergent positions on the required transfer of FAID. Issues have been litigated and there have been various attempts for a legislative fix from Congress, which have not succeeded. Pay off of the construction debt that will trigger the transfer is imminent.

Over the past few months the CSKT and the FJBC have entered into discussions to develop a process for transfer. We are pleased to officially inform the Department of the Interior (DOI) that we have come to agreement on a conceptual design for joint management. We now jointly seek your assistance as we continue to move forward to resolve this long-standing issue.

When the FJBC and the CSKT began these discussions, you appointed Acting Assistant Secretary for Indian Affairs Aurene Martin as the primary contact in DOI at the urging of Senator Conrad Burns. She visited the Reservation and has conducted several meetings with both parties and we appreciate her assistance. Up until this agreement, we viewed Ms. Martin's primary responsibility as one to mediate a local agreement. Because of our success, we now ask that Assistant Secretary Martin and other appropriate DOI staff facilitate in the development of the contractual agreement and other activities required to effectuate the conceptual agreement.

The conceptual agreement between the CSKT and the FJBC would transfer the FIIP management functions to a Joint Management Entity (JME) comprised of appointed representatives from the CSKT and the FJBC through an enforceable contractual agreement with DOI. (See attachment Areas of Mutual Agreement in Concept for FIIP Management and JME schematic.) Once an agreement is reached, any modification to the contract would require consent of both parties. DOI would retain ownership of the facilities and would continue to provide federal oversight to protect trust assets. DOI would oversee significant actions taken by the JME to ensure the federal trust responsibility is upheld. The parties have yet to reach agreement on the number of representatives from each party that would serve on the JME but we are confident we can resolve this issue.

The parties agree that a Plan of Operation for FIIP needs to be developed that will serve as a major component of the scope of work. We request DOI's assistance in the development of this Plan. The Plan of Operation will define the relationship between all parties (DOI, CSKT and FJBC) and will guide the Project in the future. In addition, we have agreed on other elements for inclusion in the Plan including the need to define efforts for maintenance, rehabilitation and betterment. The Plan of Operation will also require adherence to approved personnel management practices, certified financial systems and procurement practices. Finally, the Plan will support water conservation education. We agree the JME would comply with all applicable laws.

We urge the DOI to commence with the planning activities. These activities should include but not be limited to the compliance with National Environmental Policy Act (NEPA), engineering feasibility and design studies, economic cost benefit analyses and financial planning analyses. Also, we believe that rights of way must be formally delineated by appropriate surveys. Finally, cultural and historic assessments must be completed. These studies and planning activities are essential for the efficient and effective management of FIIP and should commence soon. We do not intend for these activities to unduly delay transfer.

We are encouraged by our recent success but fully understand this is just the beginning of a long process. As has been said, "the devil is in the details". Once you have had an opportunity to consider our requests, we ask you coordinate a meeting in Washington DC with representatives from the CSKT, the FJBC and your staff to develop action plans and timelines for continuing to move this effort forward.

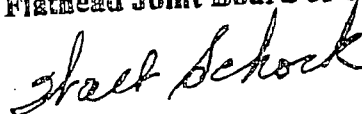
Sincerely,

Confederated Salish and Kootenai Tribes



D. Fred Matt, Chairman - Tribal Council

Flathead Joint Board of Control



Walt Schock, Chairman

Copies to:

Montana Congressional Delegation
Aurene Martin, Acting Assistant Secretary for Indian Affairs