



4334-63-P

DEPARTMENT OF THE INTERIOR

Office of the Secretary

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Tribal Consultation on Indian Trust Asset Reform Act (ITARA) Sec. 304, Transition Plan for the Office of the Special Trustee for American Indians

AGENCY: Office of the Secretary, Interior.

ACTION: Notice.

SUMMARY: This notice announces that the Department of the Interior (Department) will be hosting two Tribal consultation sessions on a proposal to transfer the Office of the Special Trustee for American Indians (OST) to report to the Office of the Assistant Secretary – Indian Affairs (AS-IA) in FY 2018 via a Secretary’s Order. Under the proposal, the office would be headed temporarily by the Principal Deputy Special Trustee, who would be delegated the authorities of the Special Trustee for American Indians. Subsequently, the Department plans to appoint a career executive to act as the Director of OST.

DATES: Tribal consultation sessions will be held by phone on Wednesday, December 13, 1:00 p.m.– 4:00 p.m. EST, and Thursday, December 14, 9:00 a.m.– 12:00 p.m. EST. Comments on this proposal must be received by January 15, 2018.

ADDRESSES: Please submit comments via email to consultation@bia.gov or mail to Attn: ITARA Transition, c/o Elizabeth Appel, Office of Regulatory Affairs & Collaborative Action – Indian Affairs, 1849 C Street NW., Mail Stop 4660, Washington, DC 20240. The toll free call-in number for the consultation sessions is: (888) 324-2907, and the passcode is 9793554.

Additional information is available at www.doi.gov/OST/ITARA.

FOR FURTHER INFORMATION CONTACT: Ms. Elizabeth Appel, Director, Office of Regulatory Affairs & Collaborative Action, Office of the Assistant Secretary—Indian Affairs, at *elizabeth.appel@bia.gov* or (202) 273-4680.

SUPPLEMENTARY INFORMATION: OST was established in the Department by the American Indian Trust Fund Management Reform Act of 1994 (1994 Act), P.L. 103-412, when Congress decided a Special Trustee was needed to oversee reforms relating to trust responsibilities throughout the Department. In 1996, the Secretary of the Interior (Secretary) transferred management of Indian trust funds from the Bureau of Indian Affairs (BIA) to the OST. *See* Secretarial Order No. 3197. OST has implemented reforms and managed Indian trust funds for over 20 years.

In June 2016, Congress passed the Indian Trust Asset Reform Act (ITARA), P.L. 114-178. ITARA Section 304(a) requires the Secretary to prepare and submit a plan for the transition of functions of the OST to other bureaus or agencies within the Department within two years of submission of the plan to Congress. Beginning in August 2016, the Department held one listening session and 10 Tribal consultation sessions throughout Indian Country and held an open period to solicit comments via a notice in the Federal Register. Based on consultation feedback, the Department determined that the most appropriate place for OST's core functions is to remain with OST as a permanent organization. To ensure fully integrated Indian policy and programs, we propose to realign OST to report to AS-IA. To meet the two-year deadline required by ITARA Section 304(a), the Department proposes transferring the OST to AS-IA in FY 2018 via a Secretary's Order.

Today, the OST holds approximately \$5 billion under trust management and administers approximately 3,400 tribal trust accounts for more than 250 Indian Tribes and over 400,000

Individual Indian Money (IIM) accounts. Each year, OST disburses roughly \$1.2 billion to individual Indians and tribes. Receipting, investing, and disbursing activity is accomplished through the processing of 10.3 million financial transactions.

The OST organization features five Regional Trust Administrators with extensive backgrounds in trust management, with over 50 Fiduciary Trust Officers to serve as the primary point-of-contact for beneficiaries on trust matters, allowing OST to coordinate trust asset management activities with the BIA, tribes, and individual beneficiaries in their respective geographic areas. The OST operates a Trust Beneficiary Call Center (TBCC) to support a strong beneficiary trust relationship as envisioned in the original reform goals.

Section 306 of ITARA requires the Secretary to identify cost savings that would result from the elimination of "any program, function, service, or activity ... of the Office of the Special Trustee that will not be operated or carried out as a result of a transfer of functions and personnel following enactment of this Act". As the proposed plan calls for all functions of OST to be transferred under AS-IA intact, there will be no cost savings as defined by ITARA.

Moreover, appropriations for OST increased relatively quickly after its inception as functions were transferred from other organizations within the Department to OST. Funding levels peaked in FY 2007 when OST received \$223.3 million. In the last decade, however, funding has steadily decreased as reforms have been completed and efficiencies have been realized. In FY 2017, OST received \$138.8 million -- a 38 percent decrease from its peak funding. Any cost savings resulting from trust reforms have already been captured in the form of decreased budget requests.

Authority: E.O. 13175, 65 FR 67250.

Jerold Gidner,

Principal Deputy Special Trustee.

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