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United States Senate

COMMITTEE ON INDIAN AFFAIRS
WASHINGTON, DC 20510-6450

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June 3, 2008

The Honorable Dirk Kempthorne
Secretary
Department of Interior
1849 C Street Northwest
Washington, DC 20240

Dear Secretary Kempthorne:

We have spoken on previous occasions about the lack of effective leadership at the Bureau of Indian Affairs (BIA). As you know the Assistant Secretary's position was open for two years before it was finally filled. Now after one year it is vacated again. Other key positions in the BIA are vacant as well.

There are many problems created as a result of a lack of effective leadership within the BIA. But I want to bring one problem to your attention that demonstrates how ineffective leadership at the BIA is affecting the daily lives of people on the Fort Berthold Indian Reservation in North Dakota. It is the issue of oil and gas development (or more precisely, the lack of it) on that Reservation.

Frankly, I'm tired of excuses and inaction by the BIA. The BIA is a bureaucratic mess that needs to be reorganized and reenergized. If that proves impossible then maybe it ought to be replaced with an organization that will take effective action to help improve the lives of American Indians.

Let me explain about the problem of energy development on the Fort Berthold Indian Reservation in North Dakota. As you may know there is dramatic and aggressive oil discoveries and a substantial amount of oil activity in that region of North Dakota. It is the most active oil play in the nation at this point.

Unfortunately, because of ineffective management and foot dragging at the Department of the Interior and the Bureau of Indian Affairs, the Fort Berthold Indian Reservation is not able to fully benefit from this oil development.

As a result, those who most need some economic opportunity in our state are being denied it because of the BIA bureaucracy.

Let me explain. There is aggressive oil development to the north, south and west of the Fort Berthold Indian Reservation. There are over 70 active drilling rigs in North Dakota—49 of which are operating on private land just over the Reservation boundary to the north, south and west. But there is only one drilling rig located on Indian lands within the Fort Berthold Indian Reservation.

My Committee on Indian Affairs staff has been studying oil and gas development on this Reservation, including staff visits to the Reservation to understand what is happening that has resulted in oil exploration and drilling around the Reservation but not on the Reservation.

Our Committee studied the BIA's Great Plains Regional Office and the Fort Berthold Agency Office and found that these offices don't have either the expertise or the staff levels to effectively manage oil and gas development on the Reservation. I've had numerous communications with the Department and I've held hearings by the Committee and nothing seems to improve the situation.

Finally, in February of 2008, a business plan was submitted by the Regional and Agency offices at the request of the Assistant Secretary for Indian Affairs. This plan requested funding for 10 additional permanent employees in the Regional and Agency offices to ensure timely processing of leases and permits on the Fort Berthold Reservation. Nearly four months later, there has not been a response to the request submitted by the Regional and Agency offices.

Aside from the lack of staffing that's been available to process leases and permits, the federal restrictions and laws require 49 steps to process leases and permits on Indian lands. That compares to about a 4 step process on private lands. A permit manager for our state government indicates that his office takes about a week and a half to issue permits to drill on private lands in our state.

We are told that if the staff were available (and they are not) to devote 100 percent of their time on the effort on Indian lands, the steps that are required could be completed in about 6 months for a single lease or a permit (and that is an optimum time).

Frankly, none of this makes any sense to me. To have aggressive oil development occurring virtually everywhere except on Indian lands is denying American Indians the opportunities they should expect to be receiving.

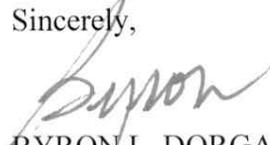
Ineffective management at the Department of Interior and the Bureau of Indian Affairs on the Fort Berthold Indian Reservation cannot be allowed to continue. It is harming local, tribal and state economies, as well as our national efforts to produce more domestic sources of energy. I want immediate action to fix it.

I am respectfully requesting that you attend a meeting in my office with tribal leaders from the Three Affiliated Tribes of the Fort Berthold Reservation to discuss possible plans to overcome the obstacles to timely oil and gas development on the Reservation. I believe it is critical that we develop solutions quickly so that the current opportunity for economic gain is not

lost for the Indians on the Fort Berthold Reservation. I will contact your office this week to arrange the meeting.

I appreciate your consideration of this request.

Sincerely,


BYRON L. DORGAN
Chairman

*Dirk: I would like to meet
with you soon about
this matter!*

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