

**TESTIMONY OF MICHAEL R. SMITH
DIRECTOR, OFFICE OF TRIBAL SERVICES
U.S. DEPARTMENT OF THE INTERIOR
AT THE HEARING
BEFORE THE
COMMITTEE ON RESOURCES
UNITED STATES HOUSE OF REPRESENTATIVES
ON
H.R. 992**

September 25, 2002

Good morning, Mr. Chairman and Members of the Committee. My name is Michael Smith and I am the Director for the Office of Tribal Services within the Bureau of Indian Affairs at the Department of the Interior. I appreciate the opportunity to appear before you today on behalf of the Administration regarding H.R. 992, a bill to provide grants to local governments to assist such local governments in participating in certain decisions related to certain Indian groups and Indian tribes. The Administration opposes H.R. 992.

H.R. 992 would provide the Secretary of the Interior authority to award grants, on the basis of need, to eligible local governments on issues concerning groups seeking Federal acknowledgment as Indian tribes, taking land into trust, land claims, and any action or proposed action relating to a Indian group or acknowledged Indian tribe that is likely to significantly affect the people represented by that local government. We oppose H.R. 992 because it would require the Secretary to make decisions about which groups receive grants from a limited source of funds based on the Department's view of how profoundly certain decisions might impact the community. First, the Department should not be the final arbiter of how to divide money amongst communities based on the level of perceived impacts certain decisions might have.

Secondly, the bill would create an inherent conflict of interest where the grant-making agency is disbursing money that may be used, in turn, to attempt to influence important decisions being made by that agency. In addition, H.R. 992 does not preclude the use of grants to litigate in court, to lobby Congress, or to participate in actions against the Department. This would further conflict with the Department's statutory requirements of making objective decisions relating to Federal acknowledgment, and land into trust.

This concludes my prepared statement. Thank you for the opportunity to testify on this issue. I will be happy to answer any questions the Committee may have.