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Transcript

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SPEAKERS

Mark Wadsworth
John Lowery
Porter Holder
Jerry McPeak
Angela Sandstol
Sarah Vogel
Chris Beyerhelm
Joe Leonard
Leslie Wheelock
Gibson Harrison
Richard Gibson
Mary Thompson
Edward Soza
Lance Morgan
Zach Ducheneaux
Phil Defler
Christy Cincotta

PRESENTATION

Moderator Welcome to the CNAFR Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question and comment section. Instructions will be given at that time. As a reminder, this conference is being recorded.

I would now like to introduce your host, Tribal Relations Manager, John Lowery. Please go ahead, sir.

J. Lowery Thank you, James. I just want to welcome everyone to the third Meeting of the Council for Native American Farming and Ranching. I am the Designated Federal officer for this committee, and at this time, I want to turn it over to Chairman Mark Wadsworth.

M. Wadsworth Good morning and good afternoon to everybody today depending on which timeframe you're in. I will just go through basically a call to order of the meeting and then a roll call, and the meeting is now called to order. We'll do a roll call right now. Porter Holder?

P. Holder Here.

M. Wadsworth Gilbert Harrison?

G. Harrison Here.

M. Wadsworth Michael Jandreau? Not here. Gerald Lunak? Not here. Jerry McPeak? Not here. Lance Morgan? Not here? Angela Sandstol?

A. Sandstol Present.

M. Wadsworth Edward Soza? Not here. Mary Thompson? Mary?

M. Thompson Here.

M. Wadsworth Sarah Vogel?

S. Vogel Here.

M. Wadsworth USDA representative Chris Beyerhelm?

C. Beyerhelm Here.

M. Wadsworth Juan Garcia?

J. Garcia Here.

M. Wadsworth Joe Leonard?

J. Leonard Here.

M. Wadsworth Myself, Mark Wadsworth is in attendance. We now are going to have a short blessing by Councilmember Gilbert Harrison.

G. Harrison Let's all take a moment to bow our heads before we start this important meeting. Heavenly Father, we come before you on this beautiful day in time for all the summer activities including farming, ranching, new livestock that are just being born and may we have a good summer, a summer in all the things we do, especially in the area of farming and ranching. Lord, we pray that we have a good, clear mind and make good decisions on issues that are brought before the council here and for the benefit of not only the federal government but also for the Native American population that we are trying to help. We pray this in Your Name. Amen.

M. Wadsworth Thank you, Gilbert. Now, we'll go and John Lowery will explain the meeting materials if you're not able to get on the Web Live meeting.

J. Lowery Hello, everyone. I just want to thank you for joining us. I noted that a number of you were able to access the live meeting, and I just want to let you know that during the meeting we will have a number items up on

screen as we are discussing the meeting, and at the same time for those of you who are able to access Live Meeting, there is an icon to the upper right-hand corner of the screen that says handout. If you click on the handout icon, which it looks like three different sheets of paper together, you will be able to access the materials that are found in the council member's binders that have been presented to them. So, by law, anything that is given to the council members, you guys as the public have access to that as well. So, please feel free to go up to the handout section there and open that up and view it whenever you have a chance.

Concerning the ground rules for the meeting, there is a public comment period from four to five Eastern Time. So, at that time, you, as the general public, will be able to request a time to speak. Before that, we will have a regular council meeting where the council representatives are able to talk back and forth to each other. So, we will conduct this meeting just like a regular in-person meeting.

So, we appreciate you for coming in, and for those of you council members, if something happens during the Live Meeting webinar, please feel free to use the materials in your binders so you will not in any way be

left behind with regards to the materials that we are looking at. If there are no questions from the council, I'll turn it on back over to the Chairman.

M. Wadsworth

Thank you, John. Our next speaker, an introduction will be from the new director of Tribal Relations, Leslie Wheelock. Leslie Wheelock also will go over—we wrote a letter to the Secretary of Agriculture on some comments that we had and she'll give us an update on those requests that we had to him, and also, thereafter, we'll hear a Keepseagle update by Richard Gibson and then a Sequester update and how it's affecting USDA and possibly FSA from Juan Garcia. From that, we'll do a short break. Then, we'll continue on to another presentation by Chris Beyerhelm, USDA and the Plain Language update and then we'll go into Effective Management of Discussion through the Food Safety Inspection Service Representative.

We're also going to put in a short section here to schedule our next meeting date face-to-face as when that time comes up, we'll go into that. I will mention right off the bat that during the public comment period, we have two individuals that need to be brought into that first. The first one will be Angela Sandstol for the Alaska Native Conservation District and

then the other person will be Zach Ducheneaux from the IAC on an update from their efforts within USDA.

With that, I'd like to introduce Leslie Wheelock, Director of Tribal Relations. This is the first time I've met you too.

L. Wheelock Thank you very much.

G. Harrison This is Gilbert Harrison. Before we do that, I wanted to—there are a couple of items that I'd like to add to the agenda very quickly if it's appropriate and then we can get on going with the rest of the items if you don't mind.

M. Wadsworth Go ahead, Gilbert.

G. Harrison Okay. First off, I think some discussion needs to be put on the agenda maybe at the summer meeting, the first item, some discussion or some highlights of the pending Farm Bill. I think the council needs to talk about that at the next in-person meeting and come up with some recommendations on that. So, I'd like to have us just chat a little bit on that.

The other is I had said that there's a letter that we got from the General Council, to you, Mark, and it says the reference response Keepseagle Class Council, I just received that this morning, maybe somebody can share that with us to date. I don't know if you've had a chance to look at it. It's about a four-pager, a three-pager, and it has a lot of content in there.

Lastly, I've been asked by various organizations here and other members about what's a format or how do they go about getting input into some of the things that they want us to address, and I think that would be some that we need to have the council come out and say this is what we need as far as addressing public comments. Otherwise, I've had all kinds of recommendations and stuff, and I've been telling people we need to put in a little simple written format that we can then send up to Washington and the USDA for a discussion. Anyway, I think those are sort of important in terms of continuing our work. Thank you.

M. Wadsworth

You bet, Gilbert. I believe that Juan was going to try to briefly outline what the aspects of the Farm Bill may be with the Sequestering presentation, but we'll see how that goes. We pretty well have to keep on

agenda here because we are going to have public comments at 4:00.

Leslie, could you, please?

L. Wheelock

I would be happy to. Thank you. This is Leslie Wheelock. As has been mentioned, I am the new director of the Office of Tribal Relations here at USDA. This is my second week in this position and I am trying to catch up to you as quickly as I possibly can on all of your issues and concerns as well as the good work that you do. I am coming to this position from the National Congress of American Indians where I was the director of Economic Policy for the last 18 months, and prior to that, I worked at the Alaska Regional Corporation as well as the Smithsonian National Museum of the American Indian. I have some fairly good friends out there in Indian Country and I look forward to making more of them.

I wanted to give you a very quick update on the Farm Bill at this time because we have some information but not a lot. As you may have heard, both the Senate and the House have reintroduced the bills or essentially the bills that they were both working on in the last Congress and 112 second sessions. Both of those bills are moving forward as of last week or this week. They are suddenly moving forward.

There have been tribes, there continue to be tribes going up to the Hill to push on different tribal issues. There are senators who are listening to the concerns of the tribes. I'm assuming there are also House members.

So, to the extent that you need to know when to start pushing your issues, now's the time. Get ahold of your representatives because your representatives will listen to you first and to everybody else that's not in their district second.

Reauthorization should be for five years. There were rumblings around the senate side, anyway, that they were looking at a shorter reauthorization period, and for that reason, Indian Country was told—it was recommended to Indian Country that they continue to work on their issues and compiling the pieces that Indian Country thinks are missing from the standard Farm Bill that they would like to see or things that affect them that may not be getting the attention that Indian Country thinks they need in order for the Senate Committee on Indian Affairs to be able to have a better understanding and a more full understanding of all of the variety of items that are in the Farm Bill that affect native people in the United States. With both of those bills moving, I think I'm going to stop there because we're watching things progress very quickly at this point.

G. Harrison Leslie, I have a question. This is Gilbert. Are they allowed public hearings? Thank you.

L. Wheelock I think that they are. I think I saw a schedule for public hearings. I don't know the answer to that, but I can get back to you with that information. I was previously in a position where I was watching for those hearings, and currently I haven't had time to look at much of anything for the last two weeks, but I will definitely put something out when we know that there are public hearings coming up.

You may know that we had, I think, three days of hearings before the Senate Committee on Indian Affairs last week on appropriations. Some of those requests were Farm Bill related and we had a lot of tribal leaders and tribal organizations in town for three full days of hearings during that time period last week. I'm expecting to see some hearings, but I don't know ... when they were. I will let you know when I know.

G. Harrison Thank you.

M. Thompson Mary Thompson with a question. Who reintroduced the Farm Bill?

L. Wheelock Senator Reid reintroduced the Farm Bill that Senator Stabenow was pushing last term. That has two cosponsors on it, and I think Betty McCollum was one and I do not remember the other one. On the house side, I'm going to get his first two names mixed up, Lujan from New Mexico reintroduced the bill that the house was looking at last year. I will also get those current bill numbers out to you. I was trying to track those down as we were running into this meeting, and I did not get that information. So, I will follow up with all of you with that information.

M. Thompson When you follow up with the information, if you would please, if you can, I'd like to know who all has signed on or who all is supporting it and what committees—how exploding through the committees which one it's coming from and going to.

L. Wheelock Will do.

M. Johnson Thank you.

L. Wheelock You're very welcome. I'm going to turn it over right now to Juan so that we can make sure that he has time before he has to leave us.

J. McPeak Time out. This is Jerry McPeak.

L. Wheelock I'm sorry. I'm not the run of this committee, am I?

J. McPeak That's all right, ma'am. It doesn't matter. You say you want to talk to the senators and congressman, but being those one of myself, are there concerns we have about the Farm Bill, and is there something specifically we need to be asking for or telling those folks?

L. Wheelock That's a good question. A lot of what they need to hear are things that are specific to the tribe. Some of the tribes, we have fishing tribes, we have tribes that are looking at protecting their steeds. We have tribes that are looking at tribal colleges and universities. The National Congress of American Indians has a document that went out, I think two weeks ago, that is really kind of a primer on the farm bill as well as a place for some of those concerns to be documented, and I know that that should be up on their website. It went out through one of their broadcast about three weeks ago.

J. McPeak We don't know specifically if anything in danger or anything specific

L. Wheelock I do know that we have got area. We probably do know, but let me see if I can get those things compiled for you.

J. McPeak Thank you.

L. Wheelock There are lists.

M. Wadsworth Will that be agreeable with you, Richard, to allow Juan to go ahead with the agenda?

R. Gibson Yes, please.

M. Wadsworth Juan, if you'd like to go into your presentation.

J. Garcia Thank you, Mr. Chairman. Good afternoon, everyone. This is Juan Garcia. I'm the Administrator of Farm Service Agency.

As you all well know that sequestration did take effect on March 1st government wide. Of course, sequestration was scheduled to take in effect at the beginning of the year unless Congress worked out a new agreement.

At the beginning of the year, Congress delayed the sequestration discussions until the end of February. An agreement was not reached.

Therefore, sequestration took into effect, the president signed the executive order on March 1st. So, it did take effect on March 1st. How that affected, and I'll just speak on USDA, for our mandatory programs there was a sequestration of 5.1% on the allocations for the various programs that USDA implemented, and then a sequestration of 5% for our discretionary expenses which included the agencies', within USDA, administrative expenses.

What was added onto that by Congress was an additional 2.5% rescission in addition to the 5% and then OMB initiated an additional 0.2% rescission. So, at the end of the day, we had a 7.7% sequestration plus reduction in discretionary operating expenses across the agency.

Of course, that created an additional burden on the agencies. Many of the agencies had been planning, especially in our mission area which is Risk Management Agency, Farm Service Agency and the Foreign Ag Service, we had been preparing for this possible sequestration in early fall. Many of the agencies began implementing a hiring freeze last fall. FSA did so

as well to try to achieve the savings that would have to be absorbed because of sequestration, and it's a good thing we did because we were able to plan out what reductions that we had to incur to meet that sequestration amount.

Also, I have some information from NRCS. They also implemented a hiring freeze. NRCS was affected by about 200 positions nationwide. We've been affected by over a hundred or so positions nationwide that we haven't been able to fill since the first of the year.

So, it's been a challenge for us to meet those reductions. We have looked at contract reductions, of course, a hiring freeze, a reduction of discretionary expenses for our offices, which includes travel, supplies, those type of expenses to meet the requirement.

Now, on the program side, on the mandatory program side for FSA and for NRCS, we've had different situations here that we're having to take over in order to achieve these results. Now, the secretary informed the agencies after sequestration became in effect that he wanted to focus on two key principles, and the first one was that we must do all we can to implement the sequester in an equitable manner for our producers,

equitable and fair manner and also implement the sequester in the least disruptive manner possible and least disruptive to the producers and also to the employees.

Speaking on behalf of FSA, what we had to do beginning March 1st was to freeze all payments on various programs. Programs such as the Supplemental Revenue Assistance Program, Shear Program for 2011 losses, the Non-Insured Assistance Program, the Milk Income Loss Contract Program, Market and Assistance Loans, those were the major programs that we had to put on hold until we figured out how to handle the sequestration amount, and NRCS also had a reduction in many of their programs, and as I mentioned earlier, as we had to reduce our discretionary expenses, that affected the service to our customers throughout the country at the field level. As far as NRCS, that affected their ability to complete conservation plans with producers with us. It has affected our services to some degree also.

So, at the present time, since we froze the payments right after March 1st, we are still negotiating with Congress, with Office Management and Budget as to how we will handle the sequestrable amount on the program side in the programs that I mentioned. Some of the programs weren't

affected such as the Conservation Reserve Program. It was not affected by sequestration. It affected our loans, Chris, to some degree, our state mediation grants, affected them to some degree.

Some of these programs were able to take the sequestrable amount off the top of the allocation of the appropriations that we had for the programs. Programs such as the Emergency Conservation Program were able to take the sequestrable amount off the top and then allocate in emergencies the remainder of the money, but we're still in negotiation on how to handle the sequestration and primarily because in some of these programs such as the Shear Program and the Milk Program, we had already issued millions of dollars in payment prior to March 1st. So, we have to figure out to whether we want to claw back some of those payments that we'd already issued, which means that we would have to contact the producer, that they would owe us a certain amount of their payment back or to see if we could reduce or to meet the sequestrable amount from future payments such as the Direct Encounter Cyclical Program in which we pay close to \$4 billion a year.

So, the secretary, as far as FSA was concerned, made a request to Congress to use an interchange authority that he has available to reduce

the Direct Encounter Cyclical Programs that would be made in October to meet the sequestrable requirements for all the programs that were affected. We're still waiting to hear back on that decision. We hope to hear that decision here very soon and be able to initiate payments once again.

All this time, the county offices are still taking applications, still computing payments, placing them on the queue. Whenever we do get the decision, we'll be able to open up payments and start issuing that.

On the administrative side, there were several agencies within USDA that were subject to possible furloughs of employees to meet the reductions. The main agencies that were affected were FSA and Rural Development. As far as the FSA side, we were able to obtain funding from another source to not have furloughs. I think Rural Development may still be working on that, but hopefully, they'll find a way to do that. Other agencies, such as the Office Management and Budget, the IRS, the other agencies, have been subject to furlough so far.

So, we squeaked out of the furlough situation. This furlough would have affected in FSA close to 12,000 employees. So, it was a major relief last

week when we were able to obtain some additional funding from another funding source to take care of that deficit there.

So, that's kind of a quick overview of sequestration, how it affected the program side, how it affected the administrative side, especially with NRCS and FSA, which we have the same customers out in the field and hopefully we can maintain our service throughout this year. We'll see for fiscal year '14. USDA has presented their president's budget, the president's budget request for 2014.

We've had hearings at the house last week. The FSA had hearings last week and several of the agencies did also. I think the secretary has a hearing with the senate next week, if I have that right, on budget. So, we're moving forward with this and see what our budget for 2014 will look like.

Hopefully, if we do get our budget, we'll be in pretty good shape, but there's always the rest of additional reductions for 2014. So, we have to start looking at those possibilities, how that's going to affect our administrative expenses next fiscal year. So, it's a never-ending discussion here in DC on budget. It seems like things change every day

and we have to regroup and come up with another plan, but we'll meet the challenge.

We understand we have to maintain fiscal responsibility for the government, and we're committed to that. We also want to ensure that our customers are serviced throughout the United States. So, there are other ways of doing things and we're looking at all possible ways how we can meet that increased service to our customers. Any questions that you all have on this? I know it was a quick overview.

S. Vogel

This is Sarah Vogel, and one of the requirements—one of the provisions rather, not a requirement in the Keepseagle settlement was that USDA would review and see if there's need for additional FSA staff in tribal offices, and there's a small provision on that. It said if funding permitted, and I know this was under review and analysis I think as of last August, I think, our first meeting. Do you have anything to report on that front?

C. Beyerhelm

Rick, do you want to cover that?

R. Gibson

Yes, I can take that during my presentation. I can tell you that the need assessments are potentially done. Right now where we left it with Janie

was that we're going to see what the budget situation looked like because we aren't in a position to fund any offices that we may advance and we can kind of end up out of the frying pan and into the fire situation with sequestration where the funding can, less available than it was when it really looked bad. So, Leslie and I and Juan are going to work together to see what we can do for 2014 and then present the status of the court ... it needs to move forward at this point. We can't wait for a brighter day.

S. Vogel I kind of could have predicted the response, but I think it still is something the council probably would be interested in following.

R. Gibson I think so. I think it's something that we should continue making efforts to do even after the needs assessment ... keep the idea open.

S. Vogel One more question, and I guess because it's also I know expenditures—and I think this was required is the ombudsman ... USDA not just for Native Americans but for other special groups., I know that would be a new position as well, but is that in the budget?

R. Gibson Yes, we do have money for that, and a position description has been written for that position that incorporates the language or the ... as to high

priority for both Office of Tribal Relations and the Office of General council to find a person to fill that position and to support that position with our DC staff. So, hopefully—

M. Wadsworth Are there any more questions for Juan?

G. Harrison Juan, this is Gilbert. I had one more request, just one short question. For your 2014 budget, does that reflect ... a continued 7.7% reduction?

J. Garcia Well, at this particular point, we're really not sure, Gilbert, how that's going to come about for 2014, but we'll just have to wait and see what results if there is another reduction in the future for 2014. We're just not sure how much it will be. Seven point seven is what resulted this year, but if there is a reduction, I'm just not sure what percentage that will be for 2014.

G. Harrison Thank you very much.

J. Garcia Mr. Chairman, if I can add a little bit to Rick's response and Sarah's question as far as maintaining offices. On behalf of FSA, we do have in FSA what we call delivery points in Indian Country as you all are well

aware of that, and this is a delivery point where we have individuals that are not permanently stationed there, but we do provide service at those delivery points one or two days a week from another office. So, we're committed to maintaining those particular delivery points out to maintain that service. I just wanted to mention that.

M. Wadsworth

Mr. Richard Gibson, if you'd like to go into your presentation.

R. Gibson

Thank you very much, Chairman Wadsworth. I appreciate the opportunity to brief the council on developments in Keepseagle. Since we already started with some programmatic relief items, I'll give you an update on where programmatic relief is in the agreement, what's been completed and what's in process.

The main item for programmatic relief was the establishment of this council. We've established that, and right now, we're meeting the requirement to meet at least twice a year and ultimately trying to meet more than that because it think it's important to keep in more regular contact, especially with the Farm Bill in play.

Right now, for the council with Leslie Wheelock replacing Janie Hipp, we may need to modify the charter. Right now, it reads that the director of Tribal Relations is a designated federal official, and I don't think John is a director, but that's going to be a technical change so we can have both John's services and Leslie's services in Janie's seat.

The second large item is this secretary shall create an ombudsman position. I noted we have completed the position description. Now, we're recruiting and looking to hire the person. The timetable for that hopefully will be middle of summer. By the next time we meet, hopefully we'll be in a position to introduce the person if the hiring process goes well. As noted, the person not only will serve the functions for Native American farmers and ranchers but also all other farmers and ranchers.

The Office of Tribal Relation shall establish 10 to 15 original venues with a cooperative agreement with the Intertribal Agriculture Council. USDA feels we've implemented that as far as an implementation item goes. I say it's been completely indispensable in implementing items this agreement and providing fantastic technical assistance, particularly recently on the tax issues associated with the payments in Keepseagle. That cooperative

agreement continues and will continue at least through the term of the whole agreement which is April 2016.

FSA was required to release and develop a Plain Language Customers Guide, and I know Chris is presenting on the agenda later on that issue, but that has been released. As I noted, OGC has completed a needs assessment to determine whether and where to consolidate some offices and tribal headquarters should be located if funding permits, and that's a huge enormous road block right now for us is the funding item. We can't overcome that in this budget climate right now.

As Juan indicated, FSA continues to have delivery points and the Office of Tribal Relations under Janie Hipp was working fairly closely with BIA to provide additional delivery points or cooperative arrangements where USDA could work out of BIA locations, and hopefully, they'll continue to develop those conversations and maybe be able to enter into an MOU on that point. So, even if we can't open new offices, we'll be able to provide good customer service at convenient times for Native American producers.

In addition, within 120 days of claims determination, any claimant who remained delinquent could have an additional land to loan servicing. With

the debt relief that was implemented, I don't think there were any claimants that fell into that category. I think all claimants who received debt relief had all of their debt wiped out so they didn't remain delinquent.

Finally, every six months, we're required to provide data to the council, Class Council and the ... person concerning loan application rates, and I know Chris is presenting on that point later, but we provided our last installment in August and this installment for this meeting, and I anticipate providing the next installment after the fiscal year in October.

Onto the money issues; at this point the claims process is completely closed. The court with Keepseagle on December 28th denied a motion to intervene and a motion for early judgment for 67 claimants indicating that the adjudicators' and administrators' decisions in the process were final and could not be appealed. Over 3,600 persons prevailed on Keepseagle.

At this point, I think from information that we received from Class Council earlier in the week, it appears that all but around 10 of those persons have cashed their checks already and then there's an additional 6,280 estate claims that aren't quite resolved yet and aren't through the

probate process. So, those claims are still being held in a separate account until they're cashed. For the estate claims, those persons have up to a year.

Payments were issued in Keepseagle in August 2012 and October 2012.

So, we anticipate that those payments will or should be cashed by October 2013. However, if individuals still have problems with legal representation, they are still encountering probate issues, the administrator has the discretion to extend the period for up to six months. So, we may get into 2014 before all of those checks are cashed. Then, whatever is left reverts to the Cy Pres fund. As reported in December, it appears that the Cy Pres fund will total, after all the checks are cashed and all the tax relief fund debt relief is provided, around \$375 million.

Currently, the language agreement requires pro rata distributions equal pro rata distributions among defined Cy Pres beneficiaries, nonprofits, not to include educational or other legal institutions. As of December, I think both the government and Class Council agree that with the amount of money left over in the fund, that's probably not going to be possible. So, some amendments to the agreement will have to happen.

The parties have been negotiating since December, have engaged in face-to-face meetings and will continue to meet face-to-face over the next several months to resolve how to change the agreement and what to present to the court, and I think the timetable is going to look a lot like the timetable for the settlement itself where the party started meeting in the spring of 2010 and eventually came to an agreement over the summer, but it's very fluid right now.

The final issue on implementation was the tax relief clinics that were offered by Class Council in coordination with the IAC and USDA Risk Management Agency. By all accounts, those are very successful, very helpful for claimants. We haven't, at USDA at least, heard many issues coming out of complaints or difficulties with filing taxes. There have been a few co-claimants where the spouse filed and the other spouse was surprised at the tax impact that either the debt relief that the payment had on his or her account, but those have been few and far between.

That's all I have on implementation. Are there any questions at all?

M. Wadsworth

Are there any questions for Mr. Gibson?

J. McPeak This is Jerry McPeak. I have one. As you know I've, tell me about the Cy Pres thing again. You went through it and I missed some of it as I was listening. I take it you think this is going to be under negotiation or discussion but it's not to include educational or other governmental institutions. What can it be used for?

R. Gibson Right now, as it's written, it's for nonprofits who've provided services to Native American producers between 1981 and 2012.

J. McPeak Nonprofit what?

R. Gibson Nonprofit organizations, not educational organizations, not legal services organizations.

J. McPeak Not educational, but nonprofit organizations and you said something about 2012.

R. Gibson That's correct. They had to be in existence. They can't be newly formed as a result of the settlement agreement.

J. McPeak Who has a say over that?

R. Gibson The current language of the agreement, Class Counsel and the courts determine the beneficiaries for the Cy Pres fund. To the extent that the agreement needs to be changed, the Department of Justice needs to be involved.

G. Harrison This is Gilbert. I think that last time we had our meeting in Las Vegas, there was some talk about establishing the EA a trust fund to oversee the balance. Do you know of anything, any further discussion has taken place on this?

R. Gibson That's one of the ideas the parties are discussing.

G. Harrison Thank you.

M. Thompson This is Mary Thompson. You said that the court system and who would make the determination as to how the funds could be expended?

R. Gibson Right now, the way the money worked is that the Department of Justice transmitted a payment of \$680 million to a designated account set up by Class Counsel, and Class Counsel took their attorney fees out of that fund.

They took class representative fees out of that fund and any payments to prevailing claimants came out of that account. So, the money is gone. It's been transmitted from the government to Class Counsel in trust for the clients.

M. Thompson And the remaining \$375 million?

R. Gibson That's correct. They need to decide—

M. Thompson Who needs to decide?

R. Gibson Class Counsel.

M. Thompson Class Counsel needs to decide

R. Gibson Right, and that needs to be approved by the court.

M. Thompson Are there any policies and procedures set up or in place as far as how they would receive recommendations?

R. Gibson I know they've been asking for recommendations from Council for Large Tribe, IAC, NCAI.

R. Gibson I don't know whether they have a formal pipeline for recommendations in place.

M. Thompson Well, I would be curious to see what the recommendations that have been submitted are and as far as them meeting the needs of the Native American farmers and ranchers out there. I feel like this board should have access to making recommendations or submitting recommendations.

R. Gibson Yes, I think the oversight in how the money's going to be spent, how long the money's going to be spent, I think these are all the critical issues that both Class Counsel and the Department of Justice are going to have to work out over these negotiations over the summer.

M. Thompson Just as a final question, has anything been approved or in the works to be expended?

R. Gibson No because again, the funds aren't available yet until the last check is cashed or is voided because too much time has passed. So, this is no

money out there and there's no money left available out there because actual class members have the first claim on it.

M. Thompson Can this council set up some type of—or work out something with Class Counsel and the court systems that any recommendations that come forward that the council be aware of and start working on that now so that we're not behind the fact on when things start happening?

R. Gibson Yes, I think you'll have to make that recommendation to Class Counsel.

M. Thompson Well chairman, I think that with more discussion that we could make a recommendation to Class Counsel so that this board is fully aware of any recommendations that are even being considered.

M. Wadsworth Yes, and I'm in agreement with that. We'll have to talk a little bit, as I have before, with John Lowery or Leslie on I know that I've heard some non-ability of the USDA representatives within our board possibly having to reclude themselves from those if we were to try to make recommendations ourselves or as a council.

- R. Gibson That's right because the USDA members, we don't have a say. Again, changes to the settlement agreement are going to happen whether that changes USDA role is a whole other issue entirely.
- M. Thompson Thank you for making that point clear, but I guess—Chairman, whether or not this council makes any recommendations would be determined at a later date?
- M. Wadsworth Yes.
- M. Thompson But for now, my concern is that as this process is rolling about because we're only meeting twice a year at this point, that things may happen pretty quick and that this board should be aware of any recommendations that are going to be considered by Class Council and the judicial system, the courts.
- P. Holder Mary, this is Porter. We'll be aware of recommendations soon.
- M. Thompson I guess whenever it comes to dealing with the United States government, I want to see it in writing. I know we can etch in stone, but that didn't work either, Indian humor coming out. I'll be quiet for a minute. Thank you.

M. Wadsworth Sarah, if you would make a comment.

S. Vogel Sure. This is Sarah Vogel and I think that's a good suggestion. We have received some suggestions from organizations, they were mentioned by Rick, and I can have those forwarded to the members of the council after this meeting is over. Generally, they support the concept of a foundation.

However, as Rick mentioned, the possibility of a foundation requires amendments to the settlement agreement. So, it's very difficult to go ahead and plan for implementation of a foundation, for example, when we're a long stretch away from having that done, but we're optimistic that these meetings and face-to-face meetings with the Department of Justice and the work that's going into it on both sides will result in some kind of a method of going forward. So, what we have, we can share, but the ultimate goal I want to emphasize is that this will be used for the benefit of—all the money will be used for the benefit of the Native American farmers and ranchers.

G. Harrison This is Gilbert Harrison. Sarah and Mary, you guys have a very good point. I'd like to suggest to you, Mark, maybe at our next face-to-face

meeting in two or three months, Sarah, if you don't mind, maybe can draft up some sort of a position paper and we can discuss and maybe take away some stuff or add some stuff and at least come out with a final document that we can then say this is our position because I think ... going to be around. We don't need to talk about the structure or anything, but just what we feel should be a good foundation or what should be a—what should be our position because that way, if we have a paper that we can look at, we can discuss it and make a decision and move it forward. That would be a—I would like to ask if that can be done. Thank you.

S. Vogel Okay.

G. Harrison Thank you very much.

M. Jandreau Mr. Chairman?

M. Jandreau Yes. Who is the point person in the Class Counsel that is being held responsible for dealing with this?

M. Wadsworth I'm going to refer that to Porter.

P. Holder Who is the lead attorney? Is that what you're asking?

M. Jandreau Well, whoever is being held responsible to be communicated with and somehow change it so that this whole thing, there's already a plan of what USDA is aware of and nobody wants to disclose anything to us. There's no sense is us being in existence by action of the court if we're not at least being communicated with, the relationship to those dollars that were made available through this whole process.

P. Holder I think we're a little bit early. Until all the checks are cashed, until the time runs out on that, there's really nothing that can be done right now.

M. Jandreau Porter, I disagree with that, and I'm sorry, but I find in operation and management of a process, you have or there is already an idea in mind of what we're dealing with, and it appears that when they start talking about nonprofits being charged with utilization and determination, our existence appears only to be a rubber stamp, and I think that if that's all we are, there's not too much reason for our existence.

S. Vogel This is Sarah, and perhaps Rick, you want to take the lead on this, but we're dealing with the settlement agreement as it was written long before

the council was ever created, and the structure and the way it is written is that it is now between Class Counsel and the courts. To make it more workable, we need to involve the Department of Justice. Those negotiations are going on. As things move forward, they will be absolutely

M. Jandreau Are we privy to that information?

S. Vogel Excuse me. I couldn't hear you. I was

M. Jandreau Are we privy to any of that information?

S. Vogel No, there's really no information to be shared because it—

M. Jandreau Well, you said that negotiation is going on. There must be some subject of

S. Vogel The negotiations per the settlement agreement were also—as attorneys, we aren't able to talk about discussions like this. Rick, could you—

R. Gibson Right now, these are confidential discussions. We're bound by the confidentiality of our clients. ... Class Counsel.

M Aren't part of us clients?

S. Vogel Pardon?

M. Thompson Aren't part of us clients?

S. Vogel Well, Porter, for example, is one of the lead plaintiffs and he's involved as are our other lead plaintiffs, but this is the structure that we're dealing with, and the council, we believe will play an important role, a very important role, but until we cross a few more hurdles, there's limited opportunity now.

G. Harrison I agree. There's a lot of things to be discovered to discuss ... detail, but I would like to see the council to make some sort of recommendation. Let our voice be heard. That's all I'm saying. Thank you.

M. Wadsworth I guess for point of clarification, if either Sarah or you, Porter, would expound upon that. When we do have and come up with our positions, letter as Gilbert and also requesting more up-to-date information, are we going to address our communications to the judge himself?

S. Vogel No.

M. Wadsworth Or would it be when—and when we're talking about class Counsel, is this lawyer groups that are involved with this, or is this also the plaintiffs? I guess, could you define the Class Counsel?

S. Vogle Sure. Class Council is Joe Sellers who's our lead attorney, Christine Webber, David Frantz, ..., Anurag Varma, myself, Peter Romer-Friedman. So, there's a group of us, but we're led by Joe Sellers. Christine and David I believe are actually participating silently and muted, but I think that they're on the line too, but we are at the moment, and then the Department of Justice is represented by at least that many attorneys if not considerably more.

M. Wadsworth Well, that helps some.

S. Vogel If you want, you can sure—everybody has my e-mail. You can sure have a dialog with me and I can sure fill people in more, but right now, I think we have to approach this step by step by step. As Porter pointed out, no

money can go out until the last check is cashed or goes stale, and that's a ways off.

Also, we've got some important changes that would have to be made to the settlement agreement to make it work at all other than the way it's written right now. The way it's written right now is black and white on the ... website. Anyone can look it up, but we—I think all parties agree that it's not so workable as it is now drafted. I think everybody has a good heart and working forward on this and we're all optimistic that we'll come to a good resolution.

Then, the decisions on the expenditure of money, we're a long ways away from that. With the baseline met, all the money will be spent to benefit Native American farmers and ranchers. If we approach this step by step, I think we're at a pretty good place right now, and in future meetings, we can give you reports I'm sure of any progress.

M. Wadsworth

I'd like to end it on that point. I do need to take a ten-minute break here, and then we'll come back at 2:25 Eastern Standard Time and go into Chris Beyerhelm's presentation. Thank you. See you in ten minutes.

(Break)

M. Wadsworth This is Mark Wadsworth again. Chris, are you there?

C. Beyerhelm Yes, Mark. I'm here.

L. Wheelock ... didn't know how to work that. We're waiting for John to come back.

M. Wadsworth Okay. We'll start when he comes back then.

L. Wheelock There he is.

M. Wadsworth Are we ready on that part?

J. Lowery John is here and I'm ready.

M. Wadsworth Okay. Chris Beyerhelm will be going over the farm loan presentation. I guess people that are able to view it on the web can follow that or follow your notes in your papers. Go ahead, Chris.

C. Beyerhelm

Thank you, Mr. Chairman. At the last meeting, we decided that we wanted to focus on one or two issues per meeting, and I think the consensus was to focus on credit at this meeting. So, in preparation, I asked our economist to put together just some I guess factoids for lack of a better word about credit and the financial status of folks that farm and ranch in Indian Country and those outside those areas.

I'm not going to spend a lot of time on these in the interest of time. I hope you've had a chance to look at them. If there are particular questions or we want to go back to a slide, we sure can do that, but basically, the summary of the material that we're going to cover is that American Indian operating farms represent about 2.5% of all farms but about 1% of overall production.

In addition, American Indian operated farms tend to be smaller than average, and that doesn't mean size wise and acres. That means in assets. We will look at a chart in a minute that will bring that to light a little more.

American Indians are geographically dispersed across the United States. Something I found very interesting was that only one-fifth of American Indian operated farms are located on or near Indian land. I don't know if

that was news to anybody else, but it was to me. Since 2008, FSA provided credit to American Indians in 49 states with Rhode Island being the only exception, and I'm not sure why that is, but it's just to support the idea that we're certainly geographically dispersed.

Even though most operations are livestock operations, what the statistics showed were that American Indians have basically the same reliance on government payments as non-natives. About 4.5% of gross cash income is directly related to farm payments from USDA. On average, American Indians had lower net worth and less income. I think as we look at the charts later, that's probably more reflective of the fact that primarily Native Americans have livestock operations and were not able to capitalize on the high gross revenues that cash crops have had for the last number of years.

Relative to other groups, the American Indians are more reliant on farm income, probably no surprise, and then, just finally FSA direct programs are relatively more important among American Indians. If you look at what I would call market share, market penetrations of FSA loan programs, it's about 7% of all farmers and ranchers across the United

States. Market penetration or market share among American Indians with farm loans at FSA is about 15%. So, that's some information.

The next slide is just a map, and Angela, I apologize on there—

A. Sansdstol You knew what I was going to say. I was going to say Alaska is in America.

C. Beyerhelm I apologize for that. Going over my notes this morning, I said oh no. Angela's going to be angry with me.

What this shows is the yellow portions are what the economists are defining as American Indian counties and those are defined as having 10% or more of farms in a county being operated by Natives, or that there'll be 30 or more American Indians farming in that county. The other areas designated by Rs or Ks or something are actually Indian land. So, this goes to support the earlier comment I made about one-fifth of—you can see a lot of the operations are outside those Indian lands if you will.

Going to the next slide, these are just a bunch of bar charts that support some of the things that we said earlier. You can see the blue is the percent

of farms and the red is the percent of value. It just represents 2.5% of farms operated by Native Americans and the value production is the red.

The next slide shows the size of farms, and again, this is in terms of assets, not necessarily size because I think if we start looking at size of acres, I think there's probably going to be a different story told, but this just compares the asset value between non-American Indians and American Indians. The next slide is—

S. Vogle Could I ask a question?

C. Beyerhelm Sure.

S. Vogle The Native American numbers appear to jump around quite a bit whereas the blue lines seem more stable.

C. Beyerhelm As far as the value of assets?

S. Vogle Yes.

C. Beyerhelm I'm not sure why that is, Sarah. It may have something to do that because American Indians tend to have livestock operations, I don't know if there's been that big a fluctuation in valuation of livestock. I know with the drought and everything else, it may have impacted values—well, it did, I know it did, value of cattle operations. Today, that might have something to do with it.

S. Vogle And the same for the prior slide.

C. Beyerhelm Yes. I can get some more information on that if you're interested in it. I think that's a good observation.

If you look at the next slide and this just has to do with farm production, and again, I think this is directly attributed to the red lines being a little more constant is that represents the high revenue that cash grain operations have been receiving over the last couple years as opposed to American Indians relying on livestock, and again, Sarah, to your point, that probably is a reflection of cattle prices and the ups and downs of that whole thing.

The next slide, John, again, I don't think there's any surprise. This just kind of represents the different kind of enterprises, and of course, on the left, you have the American Indian operations and really dominated by the red beef cattle and the blue at the top for all other livestock whereas non-American Indian operated farms have a tendency to be a little bigger bars in some of those other categories. So, again, I don't think that's anything earth shattering.

Next slide, this has to do with sales. So, the slide we looked at earlier was just enterprises. This has to do with sales and again, it pretty well mirrors the slide we looked at earlier, but in terms of gross income—the interesting thing about this one, to me anyways, was if you look at the green charts, that represents the government payments. As I said in the opening comments about 4.5% of government payments

S. Vogle

This is Sarah again. It's percentage of Native Americans lower gross farm income. So, their government payments would be lower because it's a percentage of total income and the total income is lower.

C. Beyershelm I think the gross amount is lower, Sarah. That's correct. I think what this slide represents is whatever income you're getting, 4.5% of it is made up of government payments.

S. Vogle Right. It's a piece of a smaller pie, so to speak.

C. Beyershelm I agree. The next chart just shows the average household incomes just over the last couple of years. The next slide—I'm going to go through these fairly quickly, just kind of factoid.

Next slide shows the indebtedness of American Indians versus non-American Indians. There are not real significant differences. I think what's interesting to me is on the left, the debt-to-asset ratio, the average debt-to-asset ratio for both Natives and non-Natives is right around 20%, which tells you that there's some very healthy financial operations out there, not to say that there aren't some on the other side, and that's a thing I continually have to remind our economists out here that even though the financial condition of agriculture is very, very good, there are the have and the have nots. There are a number of people who are 80% or more leveraged that certainly are reflected in this average.

If you look at the right-hand side, now that's a percent of farms with debt. So, again, it's fairly surprising. Only 35%, 40% of farms actually have any debt at all. So, around 55% or 60% of farmers, ranchers have no debt at all. When we start talking about some of the statistics we talked about earlier like 14% market share, that, to me, means it's actually a higher number than that because those that don't even have debt aren't even in—their numbers are calculated in coming up with that percentage, but reality is they're not even in the market to obtain credit

G. Harrison

Chris, this is Gil here. I'm trying to figure out what these numbers mean because I know in Navajo because of this truck, land, truck status, there's very little debt because it's very difficult to get loans for any kind of a farm improvement because they want collateral for authorization or you can use land for collateral and you can get all kinds of loans to do different things, but I know on origination and truck plans, it's very difficult for a small farmer to get a loan from someone. It seems a little out of shape.

The second thing too is the difference between big tribal farms and ranches and the small mom and pop type of operations. I don't see how that, to me, it's a little bit skewed if you look at it from that standpoint.

C. Beyerhelm That's why I made the comment earlier, Gilbert. I agree with you 100%.

These are just totals. This is the snapshot of our portfolio, and there's the have and the have nots. Certainly, our clientele at FSA are—I don't want to call them the have nots, but they're the less financially strong.

G. Harrison Yes because I was talking to another farmer yesterday and he says you know how to make a million dollars farming, I said no tell me how. He said you start off with two million dollars.

C. Beyerhelm That's probably not too far off. The very last slide just shows you kind of across the country the red there is FSA's loan market share is less than 2% and then in dark blue, it's over 10%, but it gives some sense for where the bulk of our loans are across the country. So, like I said, I asked our economists to kind of put together some information to give us some sense for what the credit culture, I call it, is for farmers and ranchers in Indian Country and otherwise.

So, before I move on, I'm just going to open it up for any questions anybody has or comments about the information.

- L. Morgan This is Lance Morgan. It would be helpful if I knew some raw numbers. Percentages are obviously very helpful, but I'm curious about scale too just for future reference. That's all.
- C. Beyerhelm That's a good point. I think it puts it in perspective, Lance, excellent point.
- M. Thompson Chris, I have a question. Do you count tribal farms?
- C. Beyerhelm Most of this information is driven from the census. So, yes it should be. That's going to skew some of those numbers too.
- J. McPeak Chris, this is Jerry McPeak. I looked back up there when you made one statement. You questioned 2.5% of farms on Indian lands, you were surprised by that. I think that probably comes down to a 20% of the farms are on or near Indian land. I bet that comes down to a point of terminology as far as Indian land. There's a lot of the reservation land, which is obviously easy to determine. Then, there's the things like we have in Oklahoma where we have territorial land that we consider are tribal territory that may not be "Indian Land." I bet that comes from terminology.

C. Beyerhelm Actually, I did see that because I asked our economists what that was, and he did say that what's identified on that second slide, the map, as Indian lands were reservations. That certainly would not—for Oklahoma, that doesn't tell the whole story obviously. Anything else on that?

What I want to talk about next is covered under tabs 15, 16, 17 and as Rick Gibson mentioned earlier, part of the Keepseagle Settlement required that FSA every six months take a look at the number of applications and the percent approval rates between Natives and Caucasians. So, what's behind tab 15 is the letter from Rick Gibson to our Chairman, to Mark, to Joe Sellers, Class Counsel and when the Ombudsman are appointed, they will be also included. That's a requirement of the Keepseagle Settlement agreement.

So, what the agreement required us to do was provide that information for all states, but then in particular for 15 states, and if you look at the memo under tab 15, the 15 states that are identified are in the second paragraph of that memo to look at those county by county to see what the statistics are.

So, then following in tab 16 are the state-by-state numbers, and when somebody wants to go state by state by state, I'm just suggesting we turn to page three and the way you read this chart from left to right is the left-hand column obviously is the state. The next column is the number of apps from American Indians. The next number is the number of apps from whites. The next one is the number of approved applications from American Indians. The next one is approved of whites, and then next column then is the percent approved for American Indians and the next column is the percent approved for whites.

So, we wanted to set it up that way so you just could clearly look at what I'm calling column six and seven and see comparison. So, what you'll see there is is that the percent of approved applications is 86.3% for American Indians and 92% for whites. Then, their information over to the right is basically the reverse of it, the reversed of that related to rejected applications versus approved.

J. Lowery

Chris, I would just like to remind those who are viewing the webinar that if you do not have your binder in front of you, you can go up to the right side of the webinar under the handouts tab and you can actually pull up the

document that Chris is discussing, but everyone should have their binder in front of them.

C. Beyerhelm For the folks that can't see the screen, we're under tab 16 right now. I don't know if that relates to what's in the folders or not. So, I guess I'll just open it up for questions or comments. Do you want to go through each state? I don't know if you've had a chance to look at it ahead of time. I guess I'd be interested in comments if this format is okay for future reports, anything in those areas.

S. Vogle This is Sarah. I think Christine Webber who has done quite a bit of statistical analysis and did a run through of these reports for us, unfortunately, I think she's off the call, but I think during the public comments section, she can discuss this in greater detail, but based on the analysis that she did, we saw based on the Native American farming population that's disclosed by the census and these numbers, that there were some differences that we think probably are worth looking at more closely, possibly with Leslie Wheelock's office and the folks at OPR, this council, with the Ombudsman when they get on, but one of the goals of putting this requirement into the settlement agreement was that we wanted to sort of keep an eye on how it was going out in the field in terms of loan

making and this would indicate to us that there's—well, for example, I'll just—North Dakota which is the state I know the best, it says that there were only 13 applicants in the whole state, which is about 76% of what one expect on others and that also ... approved, which seems like there might be a number of withdrawn applications possibly, maybe a little bit more outreach might be necessary, but it's worth looking into.

Other states, Arizona, the rejection rate was—I guess there was a couple things they learned, and some states, there seem to be lower than one would expect applications. In other states, there were disparities between approved applications for Native Americans and approved applications for white. Arizona rate of approval was 60.9 to 91.7 for whites; Oregon, 40% approval for Native Americans, 93 for whites; and New Mexico, 40, 92; Oregon about the same as New Mexico. So, Arizona, New Mexico and Oregon had pretty significant disparities.

C. Beyerhelm The terms of the Keepseagle Settlement agreement give the council the sole discretion, in fact I'm reading directly from it, if the council determines in its sole discretion that significant and unexplained disparities exist in the volumes awarded to Native Americans compared to Caucasians who receive loans, the council may request the USDA

investigate the circumstances, and I certainly would encourage the council to exercise that. I do want to point out though that for instance, the Oregon numbers you just referenced, there were five applications. So, when you have that low of a number, if you get two of those that just statutorily weren't eligible and that's what we find a lot of times is we have something called term limits that people can only get loans for seven years without them. Once they've gotten the seventh loan, statutorily they're not eligible for any more. So, just say for the sake of discussion two of those five had reached their term limits and they weren't eligible, you'd end up with a low number there.

S. Vogle

I fully agree. It could be absolutely no problem at all, but it's worth investigating. What I volunteer to do, I'll volunteer Christine, she's on mute, I think she's on but she can be on later, but we could do a memo for the council with some recommendations maybe that council would be even prepared to make some recommendations at the close of the public comment period, I don't know, but it would be—I think that would be—this data is fabulous and I think we're really happy that it's here and I'm sure that Farmer's Home—excuse me, I'm showing my age here, FSA feels the same in terms of being able to really fine tune outreach evaluations.

C. Beyerhelm Sarah, what I was saying, and first of all, if the council wants us to look into any of these numbers, I'll be glad to do it. One thing I would just ask is that it might make some sense that let's get another six months of data under our belts and then do another comparison because it could just be that for whatever during this six-month period that there weren't a whole lot of applications. Remember, this is—like I said, we're going to do this every six months, but it's up to the council. If the council wants us to look at some of these numbers, investigate further, we can sure do that.

G. Harrison This is Gilbert. Sometimes I see the advertisement for vehicles and used cars and all, it says all applications approved, but when you actually get down to it and walk away with a new vehicle, there's a difference between an application that was approved by a salesman and the application that's actually approved by money. The question I have is you say you have all these applications that are approved, but how many actually walk out of the bank with money in their pocket? Is there a difference? When you say it's approved, does that mean that FSA has approved that, or does that mean whoever is at the bank or whoever has done the loan, is that the one that they approved, or how does that—can you clarify that for me please?

C. Beyerhelm We're saying they're approved on here, it means that—and I'm not saying that some of them maybe didn't change their mind or whatever, but for the most part, these would be the numbers that actually got loans. If something happened in between the time it was approved and the time they closed the loan, it might have thrown the deal off, but it would be a small, small number and percent that would end up not receiving funds.

G. Harrison To expand on that, Chris, too, is this application guaranteed or is this direct lending through FSA and also is there a distinction between operating loans and actually purchasing of farm operations of farm land? Do you have that data available?

C. Beyerhelm Well, to answer your first question, these are all direct loans and it does not make a distinction between operating and farm ownership. If the council wanted the guaranteed numbers, we could certainly supply those and we could break it down between farm ownership and operating if you'd like also.

M. Wadsworth Also, I know that you've heard of this situation, is there data currently you're collecting about foreclosures within Indian land through FSA?

C. Beyerhelm We just started reporting annually about foreclosures. I can tell you now because Keepseagle has been pending for the last few years, there have not been any. We've been prohibited from foreclosing, but on average, for the last four years, we've averaged—this is not in Indian Country, this is across the United States, 7 foreclosures. I think a lot of people have this perception that we foreclose on a lot of people and that's not true. So, we average 70 foreclosures a year at FSA, and Mark, I'll get you the numbers, but I would be shocked if American Indians made up even 10% of that.

M. Wadsworth That leaves me to the final situation that happened over in Montana. Basically, one of those 70 foreclosures happened within the Crow Reservation by a non-Indian who purchased through Indian land and took it out of trust and then it was foreclosed on, and FSA, I think that we need to address this issue or had you or could you expound upon your knowledge of that particular situation. Did you approach the tribe of being able to take over that loan immediately since it was in the boundaries of the reservation and just kind of go into that scenario, Chris?

C. Beyerhelm Basically, what happened was that there was a piece of property in reservation boundaries owned by non-tribal member, by a white. We tried everything we could. The statute specifically says that if a piece of

property is in a reservation and owned by a tribe or a member of a tribe, then the tribe is given first opportunity to either assume the loan or buy out the loan or buy the property. Because the piece of property was owned by a white, the statute did not apply. We tried the best we could to make sure that this property ended up with a Native American buyer, which it did.

One of the things I haven't had a chance to talk with Leslie about, but this is one of the changes in the Farm Bill that's very simple to do. The way the statute says is, like I said, it says the exception is if the property is in a reservation or versus and is owned by a tribe or a tribal member. All we'd have to do is cross through the second piece, which is a recommendation I've made to the people I talked to on the hill about the Farm Bill. So, it's a statutory issue, Mark. Like I said, we were really pleased that we really worked hard with the tribe to make sure that they knew when it was going for sale and we were really pleased they ended up with it.

G. Harrison

Mark, this is Gilbert. I think those are the kind of technical issues that I think the council needs to make its recommendations on from the Farm Bill is going through the process. It's simple to do, but somebody needs to put it on paper and make a recommendation to be included in the Farm Bill. Thank you.

M. Wadsworth I'm agreeable 100%.

C. Beyerhelm I actually just handed Leslie the Con Act provisions and told her which section needs to be cut.

L. Wheelock This is Leslie. One of the comments that has been made in the last few minutes was a request or a consideration for more in-depth analysis of the numbers. I would be willing to have our office support that endeavor, have the OTR support that endeavor. I started looking into numbers like this a couple of months ago, and I noticed things like Kentucky having 17 applications which is more than some of our tribal states, and what I'd like to do is, if we can working with our economists here, dig into a little bit more even though we only have six months' worth of information here. That may be an anomaly, but I've noticed it in some other places in different formats. So, I think that the request to dig into the numbers is a good one.

S. Vogle This is Sarah. We, at Class Counsel, would be delighted to work with you and share the analysis that we've done thus far.

L. Wheelock That would be great.

S. Vogle That would be Christine Webber. She'll also participate if need be or whatever in the public comments section coming up.

L. Wheelock Thank you.

C. Beyerhelm Anything else on the state numbers? The next tab is the 15 states, the county-by-county numbers. I assume the discussion is going to be the same there. The third to the last page, page 36 of that, again, the summary numbers are very similar to the numbers that we looked at earlier with an 86.2% accrual rate for American Indians and 91.5 for Caucasians, but again, within certain counties, there were anomalies, so I assume the same conversation that we just held with the state numbers would be applicable for these numbers also.

I just want to say too, I know we're concentrating on whether there are anomalies the other way, but I was really pleased to see that there are anomalies the other way too. There are a lot of places where the percent of approved applications for American Indians was significantly higher than there was for Caucasians.

S. Vogle Yes. That is good. That's very good.

C. Beyerhelm It can be a positive sometimes too. I guess I want to point out too, the fact that—I'm not trying to diminish the individual states or counties, but the fact that the summary numbers are not more than 10% of farms. It pleased me when I saw that, that we have some work to do, but I think we're making good progress. Any other comments on the county numbers?

M. Wadsworth That's good for me.

C. Beyerhelm Mr. Chairman, I'm going to move to tab 18 now and what this is, again, is part of the Keepseagle Settlement agreement. It requires Class Counsel and FSA to meet twice to consider recommendations that Class Counsel made regarding what I'll call handbook changes to our regulations, in other words, kind of in the weeds, how do we look at applications, how do we process applications, some of our terminology.

So, what these next seven or eight pages here, and again, I'm not going to go into these in detail, basically the format was you can just see it on our first page under tab 18, the Class Counsel kind of defined the issue and in

this case, it's managerial ability. They made their proposed solutions. The National Office response was our response to that solution, and then, Class Council has then come back and given a response to our response. So, that's kind of the way this is all set up.

I think what I'll do is I don't know if Sarah—in the interest of time, I don't think we want to go through each one of these. Are a couple of these that were of particular interest to Class Council that you maybe want to address?

S. Vogle

This number one on page three about the credit report, I think we're in agreement on the goal, but I think it would be because Native Americans have our special concerns with Indian Health Service territory lenders, if something could be added specifically on those points could be added to a handbook guideline or the regulation itself possibly in the counties where there is considerable Native American activity or across the board, I think we think that would be very helpful. Page two, cutting back, we think that some of the language in the National Office response, if that would be actually inserted into the guidelines that the loan officers work with, that would be good.

There are a couple of places I think where we recommended that the Council for Native American Farmers and Ranchers be involved like amendments to the four FLT handbook on page six. Then, the MOU issue is something that I think has enormous potential for good, but I don't know that the council has actually received the MOUs yet, and the MOUs between the rural development in agency and the BIA with the NRCS and the BIA. That's where I think enormous change and opportunities exist. This is something that Janie was working on very hard, and I'm sure Leslie is going to be working hard, and I think there are implementation efforts going on, but I think this should be something where the council could provide input and if handbooks are actually ready, I think they could be forwarded by the council for feedback. So, maybe I'm talking to fast, but a number of those instances, we thought that a few more tweaks, I'll call them tweaks, it makes them sound easier to do, would be good.

C. Beyerhelm

I think this is a living document, if you will, continuing to try to make the handbook read as flexible as we can, and I'll just make the comment, Sarah, and the rest of the council, some of the things that the council made recommendations on, I call people problems. There are employees out there that despite what the handbook says are doing something different than the handbook, and for those cases, Sarah, you've heard me say may

times, is we have to deal with those on a one-to-one basis and I know who it is and where it is and get to the bottom of it, and I hope when Zach gets on, we've been working with IAC very closely on those kind of things. Zach will call me up and say hey, you've got a knucklehead out in whatever state that said this or did that and as I hope Zach will attest to, we take care of those situations. So, sometimes I don't want to start tweaking the handbook too much for cases that are people problems, but at the same time, Sarah, I'm certainly respectful of the positions you're taking on these issues.

E. Soza

Actually, that is a problem. This is Edward Soza. At the meeting in Vegas, IAC symposium, and I apologize for not being in our meeting as much as I could, but I had a lot of complaints about the individuals at the district offices. They seem to be more of a problem than anything else with trying to get a loan to go through to FSA. They had quite a few people there that had problems with the individual in the office whether it was a receptionist, the loan officer, whomever, that seems like it was where a big problem was.

C. Beyerhelm

I probably talked to some of those same people I think, and that was a great example where I came back from Las Vegas and actually had a list

of about seven applicants that had had difficulties and came back and I— what I tell people all the time is I cannot guarantee we'll make you a loan, but I will guarantee that I will treat you professionally and we will treat you fairly and we will tell you why we can't make you a loan and then try to give you some assistance on how you might make yourself more credible the next time around. So, yes, on those cases, if any of the council members get any of that, just give me the names and I will follow up on them.

E. Soza

Thank you.

S. Vogle

But sometimes the people aren't going to have a problem because I'll just use this credit report issue in general as an example. If based on what we saw during the years of litigation, when there was Indian Health Service is listed in a credit report, digging needs to be done because that is likely not an indication of bad credit record by the Native American but rather a problem of funding at the IHS. That's unique to Native Americans and somebody who has been working in various counties and then they come to a Native American county or encounter a Native American applicant, they may not realize what that means. So, I think that's something that could definitely be done. So, it is a living document, but I think that there

are opportunities to inform employees of FSA up front on any circumstances so that they are more educated and can do a better job.

C. Beyerhelm I agree, Sarah. Every opportunity we get to share those kind of stories, we certainly will.

M. Thompson This is Mary Thompson. Chris, I guess instead of updating the guide or trying to tweak those policies when it's communication problems, then are you updating your internal policies to address this communication policy within your programs and departments?

C. Beyerhelm I'm not sure exactly—basically, when I said it's a people problem, we have an employee who's not doing what they're supposed to do so certainly then our performance policies take over as far as someone not performing their duties as they're expected to do and take the action, but if that's your question, yes. We have had in a couple cases where we've had an employee who's not doing what they're supposed to

M. Thompson I guess as a result of this class action lawsuit, these problems are a big percentage of a problem on a loan. Thank you.

- C. Beyerhelm Are there any other comments on the handbook changes?
- S. Vogel Can drafts of the handbook changes be pulled by the council for feedback?
- C. Beyerhelm Is that something the council wants?
- M. Wadsworth Chris, are we talking about our plain language guide update?
- C. Beyerhelm No. We're talking about—we have six handbooks that govern how we administer our loan programs. Each one of them is 150 pages long. Periodically, we may changes to those handbooks. Some of the changes we've made have been a result of these Class Council recommendations. The process when you make a change to the handbook is you put in ... clearance and it clears through the attorneys and everybody else and I think what Sarah is suggesting is that we would include the council in that clearance process.
- S. Vogel Well, or informally just for feedback. For example, a couple places, you state that FSA is working on a revision to FLT2 or FLT4 and it's going to be done soon. So, if there's a draft to clarify—well, a big one would be the—another big one is the—where the BIA says you can have a permit

when you have the cattle and the USDA says you can have a loan when you have the lease and coordinating those kinds of things. I'm kind of bouncing around, but I don't want it to become a bureaucratic nightmare for you, and this is an advisory board, but they may have some ideas. The folks on the council I think may have some ideas on phrasing or illustrations that would really fine tune a handbook.

C. Beyerhelm I understand what you're saying. Just administratively, I'm not quite sure how we would do that because these things are fairly time sensitive. Let me think about that, Sarah. Maybe an alternative is that we just push them back through you and you can kind of be the—well, if you want to reach out to the council and ask their—I'll give you X amount of days to get back to me and then if you want to reach out to the council.

S. Vogel Sure, okay.

C. Beyerhelm That works?

S. Vogel Yes.

C. Beyerhelm Anything else? I have one more thing to talk about.

P. Holder This is Porter. Before we go any further, I want to thank you again for the work that you do on these follow up with these pockets of resistance that we run into out there. In my experience usually where these pockets of resistance are, once they get one call from Washington, DC it's amazing how cooperative they come with the Native American Thank you.

C. Beyerhelm I have to say a lot of times—I have to say the same way you did, it's not just Native Americans that they're being knuckleheads about. They're just being knuckleheads.

P. Holder Just knuckleheads in general.

C. Beyerhelm Yes. Normally that's what we find is that if you've got, I call them curmudgeons, they're not people persons.

P. Holder I've found it amazing at how cooperative they become when they get one call from Washington, DC.

C. Beyerhelm Anything else on that?

S. Vogel What about the MOU process and implementation? Is there any way to have—maybe in six months, we could get the BIA to come and maybe have a conversation about changes and procedures and processes and how to make things better for Native American farmers and ranchers, and without sharing any secrets, I would share with the group that the FSA folks have on occasion had frustrations.

C. Beyerhelm I would say that's an understatement.

G. Harrison This is Gil Harrison. Yesterday, we had some folks from the USDA come out to the Navajo and the ... elsewhere, and amongst the people that came out here was Jodi Gillette. She's at the White House. One of the things that we mentioned and I wanted to also mention here was I said the USDA is trying to do a lot of good, but I said we need to have the BIA, somebody that can make some—in a position that can contribute, maybe sit in on these discussions because otherwise I said we have two completely independent arms of the federal government, each with its own regulations and policies and sometimes they are—I've seen some tension here, but I call it conflict, and I was saying maybe we need to get somebody from BIA to be involved with these meetings and discussions to make quicker

progress. So, anyway, that's something that will pass on and she said she would look into it and see what would happen. Thank you.

S. Vogel This is Sarah again. When Janie was in Leslie's spot, I think he was meeting on a very, very frequent basis with the BIA, and the point person at the BIA on that project was Jodi Gillette who's now moved up to the White House. So, I'd say she's probably pretty familiar with it.

G. Harrison Well, we need somebody who's sitting on these positions each and every time to share with us how and what can we do to ease these tensions and move forward. Thank you.

C. Beyerhelm I should mention that the MOU that Sarah referenced is on OTR's website. It think that's right, isn't it, John?

J. Lowery Yes.

C. Beyerhelm The MOU with RDS, yes, FSA. John says he's going to send it out to everybody. So, you'll see a copy of it.

- S. Vogel I think that's enormous progress and kudos and kudos, but a lot of the provisions of that say we're going to work on this, we're going to work on that. So, we don't want to let it languish.
- E. Soza I agree. It will fall through the cracks. This is Edward.
- M. Wadsworth Okay. Anymore questions for Chris before he goes onto the next session?
- C. Beyerhelm Okay. The last thing I want to talk about is the Plain Language Guide, and I don't know if you remember—I think it was the very first time we got together, I handed out to all of you just a booklet of about 60, 70 pages, I forget the size, maybe 10 by 4 or something like that. It was a Plain Language Guide and basically what it is it's a guide to how to apply for a loan written in plain language, no government ease and acronyms and all that good stuff. It was a part of the Keepseagle Settlement agreement and I think Sarah wanted a summary of what we did to distribute that document.
- What we did is we issue what are called notices, and this particular notice was called FLB618, issued that on July 10, 2012. We sent a hundred copies of this Plain Language Guide to all of our offices. We also sent a

hundred copies to IAC and also to the Indian Land Tenure Foundation.

We sent a letter to all tribal leaders, the 1994 Land-Grant Colleges, the American Indian Higher Education Consortium and Intertribal Natural Resource Group, sent them a letter telling them where it could be found.

It's available online. So, we gave them the link to that and advised them if they wanted hard copies that they could request those.

Then, in addition, we sent out one copy of the guide and also where a link could be found to all the national outreach partners and CBOs that we deal with here in DC across the country. Of course, all of our outreach coordinators have stockpiles of these documents. So, that was the way we distributed this document and we're actually working kind of a phase two of it. There would be a Servicing Guide, a Plain Language Guide to servicing that I can't give you a definitely go-live date with that, but it's in the works. So, Sarah, does that answer your question about how we distribute?

S. Vogel

Yes.

C. Beyerhelm

So, if you were here, you'd give me a pat on that back. Is that what I heard?

S. Vogel Yes.

C. Beyerhelm Leslie's going to do it for you.

L. Wheelock I think I can help with that.

S. Vogel Whoever is in the room with Chris, give him a pat on the back.

C. Beyerhelm Thank you. I need love every day. Even government employees need love, you know?

Sarah I think it's brilliant to do a Plain Language Guide to servicing because I think there's a certain amount of trepidation that people who have never had a loan before or whose parents perhaps haven't had a loan and the more accessible the process is and the more understandable it's made to new borrowers, the better and existing borrowers so that they understand what is the purpose of all of the rules and regulations and requirements, why they need to do things and the different steps that they need to go through to get a loan.

C. Beyerhelm Any other questions, comments? Mr. Chairman, that concludes my part of the agenda, I believe.

M. Wadsworth Chris, before you leave though and I know you're involved with this and probably as I've talked with Leslie a little bit, but could you give us a line out of are we going to be able to be funded for two face-to-face meetings for the remainder of the year, possibly one here toward the end of July or early August and then the other one in IAC?

C. Beyerhelm I'm looking at Leslie.

L. Wheelock Why are you looking at me? We have not talked about that yet, Mr. Chairman.

C. Beyerhelm We haven't gotten a response from the secretary either and that was one of the asks there was to help spread the pain a little bit, the cost of that. Just for everybody to bring up to speed, the federal agreement says USDA is supposed to pay for the cost of the town hall. I think because the Keepseagle Settlement Agreement primarily came about because of the loan program, I think as they took ownership and responsibility for funding, the first two, and I think that was the right thing to do, but then if

you remember I think the first meeting we had, we kind of outlined the top ten issues we wanted to address and I think only two or three of those had to do with anything with FSA or to the loan programs. So, it only made sense then if we were going to start talking about RD and NRCS and some of our partners at USDA that the cost of that should be shared. So, we're ongoing dialog about that, so more to come.

M. Wadsworth Any anticipated timeframe for knowing some sort of when we would be funded and be able to make some plans?

C. Beyerhelm At this point, no. Without my boss here, I'll make a point to have Juan and I and Leslie get together and talk about what the options are.

M. Wadsworth Okay.

G. Harrison This is Gilbert. I think it sort of ties into the feedback that we need from the secretary, I know the secretary is busy, but we just got sent out the list of recommendations back some time ago—

J. McPeak February the 3rd.

M. Wadsworth Timely response is all we're asking for. That way we can move ahead with things that we would like to do for Leslie and ... is to talk with the boss and tell them that that's all we're asking for is a timely response whether it's plus or minus, it doesn't matter, we just need a response.

L. Wheelock Yes, sir. I do understand that.

G. Harrison Thank you.

J. McPeak This is Jerry McPeak and Leslie, you haven't met me, but most folks think I'm more caustic than most. I don't intend to be, but I just don't have a lot of time. That letter was sent on February 4th. It will be three months pretty quick. That's a long time, ma'am. Along with that, on a more positive note, if you folks come to Oklahoma right now, we can feed you wild onion and poke salad, probably catch some squirrels and rabbits. We can take care of your meal.

L. Wheelock Be there tomorrow.

J. McPeak You've probably never eaten any wild animals. They're good.

L. Wheelock I have to walk though. I will do what I can, ladies and gentlemen, to try to move this out of the question box and into the answer box.

J. McPeak Thank you.

M Thank you, Leslie.

E. Soza This is Edward, and with somewhat of an advanced notice. Probably all of us are swamped or have a lot of odds and ends to do, take care of business. So, two months' notice would be really good. It would be really helpful.

J. McPeak A schedule would really help, yes.

E. Soza Thank you.

J. McPeak I agree with that.

M. Wadsworth Well, Chris, does that finish your Plain Language guide?

C. Beyerhelm Yes.

G. Harrison This is Gilbert. I have one request of Chris. At our meeting in Vegas, one of the things that I had to ask was maybe in the executive summary type sort of council of how much good work has USDA actually done since the agreement's been reached besides the Plain Language. I know you guys have done a lot of work to try to improve things. Just a very brief report on what have you done, the good things and then also, if there's something else that the council can do to help, I would like to see that at our next meeting. Thank you.

C. Beyerhelm Sure.

M. Wadsworth I would just like to say too, thank you guys for your assistance and everything in this process, and a special thank you to John Lowery. I know you were put in the position here lately being the person who knew what was going on with the Office of Tribal Relations and you had good help with Max, but I know you had a heck of a work load, and for people that didn't know, today, John even sacrificed standing next to the White House President's wife today who's doing a presentation to the USDA for—you can explain a little bit more about that, John, but I do appreciate it.

J. Lowery

Mark, I just want to say thank you. We've had a couple of up and down months in the Office of Tribal Relations. I think Max has done a great job of just keeping us going forward. Glad to have Leslie here. So, we are very, very, very short staffed, and as Edward says, we are all busy.

The First Lady did come here today and that was just pretty much what her visit was about was just to tell the USDA employees thank you for everything. So, yes, I was asked to be 1 of the 15 people to stand on stage with her, but I was also told that there was a chance that it could run into the 1 p.m. time slot, and so, I had to humbly decline the opportunity so I could be here to make sure that this meeting was starting, but the good thing is I was able to get in and see her and actually got to shake her hand, and she finished a whole lot sooner than anticipated, but thank you, Mark, I do appreciate those words.

M. Wadsworth

You bet. I'm not sure who's going to be the next speaker on the equine, effective equine management, but I guess we could just go right into that session.

- J. Lowery Mark, just for the record, I know that Lance came on the phone and Jerry and Ed. Have I missed anybody else? And Chairman Jandreau.
- G. Harrison This is Gilbert Harrison. I have three very simple questions I'd like to pose to the council before we get to the public comment. Thank you.
- M. Wadsworth We'll address those right after the next presentation.
- G. Harrison Thank you.
- J. Lowery We do have Phil Derfler. He is the Deputy Administrator for Food Safety Inspection Services, and as my boss can tell you, we have had a few issues lately on the horse slaughter matter. Just to sort of clean it up, we called the effective equine management discussions.
- L. Wheelock Otherwise known as horses and conservation.
- J. Lowery But definitely just wanted to ask Phil to come in and just give an update. If you have been keeping up with the news, you've probably seen what all is happening with the facility down in New Mexico, and I think that according to Mark, just want to have a discussion on what you guys are

thinking and just to let you know that this is an issue that is bubbling up in Indian Country, and this might be an area for you to also provide recommendations to the secretary as well, but I want to turn over to Phil.

P. Derfler

Thank you. So, management is a funny kind of word to use with the Food Safety Inspection Service since really what we do is slaughter, but I'll go over and summarize the situation with horses and horse slaughter right now. It's actually kind of a complex situation and it's somewhat changing, turbulent, but let me just go over these like three or four basic points I think that I need to go over so that you understand.

First of all, if you've been paying attention to the news this week, Secretary Vilsack did say that he expects horse slaughter to start in the fairly short term. I don't know if we can establish an exact timeline, but we do expect it to start in the fairly near future. We've been making progress in reviewing the applications that we've received for a grant of inspection. There is the plant in New Mexico. There's also a plant in Iowa and a plant in Missouri. All of them are—actually, we received three other applications or I'm not sure we've received applications, but we've been contacted by three other plants, but none of them are close

enough to really talk about, but the three that I talked about are all making good progress towards a grant of inspection.

We also I think when I talked to this group at the American Indian Museum, I mentioned the fact that one of the things that we needed to do was ensure that we have residue testing in order to ensure that the meat that—the horse meat that gets the mark of inspection is safe. We've made really good progress and we're very close to having finished our work so that we can start using. We validated the methods that we've developed so that we can start using them on horses. So, that's sort of where we are.

Now, the second aspect of this is that the New Mexico plant has actually sued FSIS in order to get a grant of inspection. They felt that it was taking the agency too long, and so, they sued us although since they've seen that we've been making progress, the plant has been willing to allow certain extensions when the agency has to answer their complaint, and right now, the complaint is not due until the end of May.

But I think it's really important to also keep in mind that there are a number of people who are very strongly opposed to horse slaughter, and those people have been making themselves heard rather loud and clear,

and they are making this as complex an issue as they possibly can. The Humane Society of the United States and the American Society for the Prevention of Cruelty to Animals are strongly opposed to horse slaughter. They've threatened to sue us as well. They tried to intervene in the litigation involving the New Mexico plant although they have not yet been allowed in. They've petitioned the agency not to grant inspection on the grounds that there are so many potential drugs that could be used in horses that it would be impossible for the agency to determine that the horse meat is safe, and they also have raised significant concerns under the National Environmental Policy Act, and the Endangered Species Act.

We are taking these—we're reviewing the petition. We're taking filings that they've made into account. We're trying to proceed in an orderly basis. So, right now, they're pending. They do make this a difficult issue.

The other part about it is along the same lines, people need to understand that horses are a very, very emotional issue. A lot of people view them as companion animals and feel very strongly that they should not be slaughtered. When the secretary made his announcement this week that horse slaughter was imminent, the phone in my office has been ringing off

the hook ever since, but so far, we continue to move forward because the Meat Inspection Act says that horses are an amenable species.

There had been, as you may recall, a provision in the 2006 budget that prevented us from spending any money on anti-mortem inspection of horses. That provision is no longer in the budget. However, the administration, while we're going forward and we're doing everything we can to bring about horse slaughter, the admission in their budget requested that no money be appropriated for inspection of the slaughter of horses. So, there is something of a schizophrenic situation developing, but we're charged by law to do our job under the law the way it is currently written and that's what we're doing.

So, that's pretty much a rundown of the current situation. It's hardly black and white. Nothing is easy. Every time we think we're approaching the finish line, there is an effort to throw another roadblock in our way, but we're bound and determined to do our job until Congress tells us it's not our job anymore. So, that's where we are right now. I'd be happy to answer any questions that people may have.

G. Harrison

This is Gilbert Harrison. This subject is sort of important in our neck of the woods. First of all, is there something else that we can use instead of slaughter? I think that really generates a lot of negativity because we have a ranch here and we butcher cows, we butcher sheep for consumption. To me, if we're going to sell the horse meat for consumption, it should be somewhat friendly because to me, slaughter is you just shoot and leave it or you kill it and leave it or whatever. I would think maybe some—I would like to see something instead of slaughter, maybe the term may have set in.

P. Derfler

The secretary has talked about a third way for horses on a number of occasions. The third way being not leaving the horses where they are when I know on a lot of reservations they're creating a significant environmental problem, and the second way would be slaughter, which obviously is very controversial and a very difficult issue. So, what he's asked for is that there be a third way and he's certainly looking for a third way.

Somebody asked before about what this group can do. If you're aware of some other way or some other approach, I think the department would be more than interested in hearing that. This is a very difficult issue.

G. Harrison

My suggestion was instead of the word slaughter, is there another appropriate word that we can use that will be the same thing because when you tell people we're going to slaughter, it may lead to negative implications? If you say we're going to butcher a cow for food, people don't think twice. Anyway, that's just one.

The other thing when I say it's interest to me is I know on the Navajo Reservation, we are being overrun by wild horses. They are destroying vegetation. They are contributing to erosion, and there has to be something done to control that, and it's very bad for the land. We have wild horses all over the place and somehow we need to control that, and that's why I'm saying that we, as ranchers, we do our part, but we have a lot of open areas on the trust land and we are just being overrun by horses.

These are not branded. They're just basically reproducing out there, and it really has a negative impact on the land itself because they decimate every vegetation and when you have ... set in, the land is eroded. It's just not good for the land itself too. So, thank you.

P. Holder Gil, this is Porter. Are the horses reproducing or is it like here ... mostly horse people are novelty people, and even though there was not a ... market for them at the time, it was still all right, but when the feed process doubled, they went to opening the gates on the horses and they went to hauling them up there in the mountains north of me and turned them out on the road because they could not afford that high price. Are the horses reproducing or are the horses being turned by individual owners who are getting out from under the feed bill and don't know what else to do with them?

G. Harrison Well, these are wild horses that are just roaming out there and they're just reproducing at will. You've heard of wild horses in Nevada multiplying like heck. Well, there's a similar situation here on the reservation.

E. Soza This is Edward Soza. It's a big problem I know in Navajo, big problem in Oregon and Washington. Has USDA looked into rounding up and exporting them live? Years ago, when I would challenge a different rodeo, it was a step to go across state line, all you needed was a Coggin and a health certificate. I don't know about exporting over to France, I've never been there, but I heard they eat horses all the time. Have they looked into shipping live?

P. Derfler The Animal Health and Plant Inspection Service, APHIS, does do live exports, takes care of live export of horses. There are though certain requirements in order to export it to Canada where the horses are slaughtered and then the meat is exported to Europe. In Mexico, there are requirements like they have to be able to demonstrate or to establish that no drugs have been administered for six months prior to when they're being offered to export to Canada and that may be difficult to have in the situations that you're talking about. Beyond that, I'm just not sure—

E. Soza It was just a thought.

P. Derfler No, I think it's an interesting thought.

E. Soza To transport them live. Ship them out of the United States and then have them I don't know maybe you could change the word from slaughter to harvest or something, I don't know.

G. Harrison That's a good word, harvest.

M. Wadsworth This is Mark. I guess what I would like to know too because it seems to me that in the end point, it all comes down to an economic point of view, does the Foreign Agriculture Service track or would they have the ability in their separate agencies throughout the world of what the demand is currently for horses and kind of giving us a little bit of a heads up if we release or this does come to effect, is it going to be at least a breakeven point of view or are we going to have to ask for other assistance in other ways to help control this problem?

P. Defler My understanding is—there certainly is a market in Europe. I think it's called Serval or something like that in Europe where it's a pretty popular meat. The problem is they have pretty strong requirements with respect to drugs. They require that there be documentation that the animals have not been given drugs for some significant period of time before they're offered for slaughter, and in order to maintain that sort of paperwork and stuff like that, I would think it's going to be somewhat expensive unless you have complete control of the herd and stuff like that, but that's a—while there's definitely a market for horse meat in Europe, controlling the drug use is going to be a really big issue. Any other questions?

M. Wadsworth Well, it looks like we have concluded all the presentations today, and I know that we have a few minutes and we do, according to the DFO, have to open up at 4:00 for public comments no matter what. So, I guess we have some other questions we'd like to pose to the council at this time. Gilbert?

G. Harrison I have three very short questions. Janie Hipp was part of the council for Native American farmers. She is no longer there. Has anybody or who will be replacing Janie on the council? That's one.

The second one is what are the plans for Joann's position? She was the direct federal—what do you call it?

P. Holder Designated Federal officer.

G. Harrison Right. She oversaw the actions of the council. What's the status on that?

The third one is I would like to request maybe we at the next meeting in Washington if it's cleared, I would like to invite the secretary to our meeting just for maybe five or ten minutes just to say hello and break bread as they say because he created this council, he appointed it, cleared

us and I think it would be nice just to say hello to him and at least shake his hand. I think two or three members have shaken his hand but the rest of us would like to do the same. Thank you.

J. Lowery Mr. Chairman, would you like for me to address first, second and maybe third questions.

M. Wadsworth Yes, go right ahead, John.

J. Lowery So, when Janie Hipp was hired, she was hired as a Senior Advisor to the secretary for tribal relations, and at the same time, she was also the Director of the Office of Tribal Relations. So, about a year and a half ago, two years ago, there was some discussion about taking her position and dividing it, keeping her as a senior advisor to the secretary and then also having a director of the office. That was put out there, and of course, the position was created and that's when Joanna was hired to be the director.

Well, during that time, we faced a budget crunch. The office was cut back, and at the same time with the end of the president's first term, going into the second one and Janie saying it's been great, I'm going back to Arkansas, there was some discussion within the secretary's office on how

to fill Janie's position. At the same time, they were also discussing the reorganization of the secretary's office.

So, the position that Leslie has been hired to or has been appointed to is the Director of the Office of Tribal Relations. So, at this moment and at this time and going forward, Leslie is the new Janie. So, Leslie has been brought in to serve in the position that Janie had. It's just that the senior advisor title is now done away with.

So, yes, Leslie is a political appointee. She serves at the pleasure of the secretary, and she will be the Director of the Office and at the same time, without it being in her title, she is also the advisor to the secretary. So, Leslie is the senior advisor and also the Director of the Office. So, that is where we are with Janie's position.

The second thing leading up to the DFO, within the settlement agreement and also within the charter package that was approved, it states in there that there are four positions, four USDA positions; one is advisor to the secretary on Tribal Relations; one is the Deputy Director for Loans for the Farm Loan Program; one is the Administrator for Farm Services; and the other one is Assistant Secretary for Civil Rights. It also goes to say that

these positions that even if title changes, whoever is holding those positions is still the same. So, although Leslie is the Director of the Office, and even though the settlement calls for a senior advisor, the position has changed, but Leslie will still serve in that position as a member of this council.

At the same time, it's also said that the Director of the Office of Tribal Relations will be the designated federal officer. Well, Leslie cannot hold both positions. That's what Rick was speaking earlier about doing the amendment to the charter, making it where I guess we would do something like the director will designate the designated federal officer. So, by process of elimination—

L. Wheelock We have a conceptually ... staff.

J. Lowery So, I have been tasked with being the designated federal officer, and I guess once the amendment is done to either the settlement or the charter, whatever OGC directs us to do, I will be that person who will do as Joanna has done and Leslie will fill the position that Janie has filled. Also, in regards to the secretary, I think what we do is that in your next letter of recommendations, I would definitely jot there "Secretary Vilsack, from

this day forward, you are invited to all meetings for the council. We welcome you at any time to come forward and to visit with us," and when the next council meeting is, we can ask Leslie to definitely provide that invite to him personally.

G. Harrison Thank you.

J. Lowery Thank you. Gilbert, you're stuck with me for a while.

G. Harrison John, that's great. You've been in this since we started so you have a lot of ... and knowledge in what we've been doing so, that's good. Leslie, I guess we have a lot of catch-up work to do.

L. Wheelock I definitely have a lot of catching up to do, large shoes to fill, and I am exceptionally thankful that John Lowery is in this office because this stuff could not be done without him.

J. McPeak Are we close to deciding on trying to have another meeting or is that anything we're going to broach today or not?

M. Wadsworth That was our earlier discussion with Chris and Leslie that they don't even know where the funding will be coming from yet.

L. Wheelock Don't wait on that. You all need to go ahead and plan it because you notice that's you needed a couple of months advance notice. It would be useful to have a date in mind so that that helps us push a little bit harder.

J. McPeak I agree with that. I think you set one up like you're going to go do it and fly forward like it's going to happen and maybe it doesn't happen, but I think you fly forward for it.

M. Wadsworth Now, the location at our meeting in Vegas was going to be in Oklahoma. I talked a little bit with Porter yesterday about that. I guess I'm still agreeable with the same area of location, but as a part of the council, I think at least two months advance for everybody needs to be planned for, which will put us into July maybe at some time, maybe into August. Could we have a discussion on a date?

J. McPeak Mark, this is Jerry again. A couple of things—I think Gilbert's suggestion about Washington, DC has some merit, and you guys know that I've been pushing for Oklahoma for a while and I think I can get every meal you

have here sponsored and paid for if you guys want to do that. I think there are people here who will cover all your meals while you're here. That's not very much of the cost, but I think there are tribes and other entities that will cover all that stuff.

At the same time, again, I think that Washington, DC has a lot to be said for the fact of being there. I too agree that probably think that the Secretary of Agriculture needs to stick his nose in, and number three, those of you that haven't been in Oklahoma in July and August, if you've never been here, it's a hot sucker. We'd be glad to have you anytime you want to come.

G. Harrison

Jerry, I feel like I'll come out there and take you up on that lunch, but we can agree it should be on one of the—off a main event meetings because I think that certainly our meetings are big in conjunction with IAC as a very good, and again, I sort of like to have it done in Washington because we can invite other people and because the ... travel, we can do a lot of stuff right there. That's just my recommendation. I don't know what the rest of the council members think.

L. Wheelock

I think it should be in Alaska.

A. Sandstol I agree.

J. McPeak I agree with that too. Jerry, I'm all over that deal, and July and August would be a daggum good time to do it.

E. Soza I'm good with anywhere as long as it'll fit in my schedule. I've never been to Oklahoma though so that might be an experience. I've been to Alaska, been to DC and I imagine there are air conditioners out there in some places.

A. Sandstol We don't need air conditioners in Alaska. It's still snowing here.

M. Wadsworth We're going to have to break here for the comments about five minutes. So, I guess we should—it's a decision between Washington, DC or Oklahoma.

J. McPeak I'm good with wherever.

G. Harrison I guess I changed my mind. Oklahoma City is fine.

- E. Soza I thought it was going to be at Porter's house.
- G. Harrison ... telling us about it. Let's see how they taste.
- M. Wadsworth Is any of the council opposed to not having in Oklahoma?
- M. Thompson I'm not real sure. This is Mary. If we met in DC, Leslie, can you get some BIA folks over there?
- L. Wheelock I can't guarantee that. I will try. We'll see what we can do. Actually, we can try to do that wherever we go.
- M. Thompson Thank you.
- G. Harrison August will be fine with me, about the same time period we had it last year.
- S. Vogel Could the time be fixed and then the location determined based on the money possibly and how much each meeting might cost?

M. Wadsworth I think we were just going to go forward with scheduling the meeting and deal with the cost situation as it arose.

S. Vogel I just meant that if you said the meeting will be on these days, X days, then one could decide the locations.

M. Wadsworth John or Leslie, would it be all right for you to pick sometime in August and I guess maybe even possibly late July and send those out to the council members and see which dates they would prefer?

J. Lowery Yes, I can definitely do that. I know that in a previous e-mail, I actually threw out the ... of trying to follow the same example that we did last year, which I think was having it in the second or third week of August. So, yes, I can definitely do that again.

I do know just to let everyone know because I know that DC is totally different from the real world, but that a lot of people here do go on extended vacation a week or whatever during the month of July and August, and I know that's also true with some of you guys as well, but I know that last year we had it during the second or third week of August and we had great participation from you as council members and also from

USDA employees as well. So, I do think if we can get out those times early on, then people can definitely set their calendars around that.

Also, just want to say this too, Mark, just a FYI, at the end of today looking at the overall cost of the meeting here in Washington compared to the one that we had in Nevada, it was actually cheaper going out to Nevada than it was here, but at the same time, you can never take away the advantage of being able to have individuals just like the secretary be able to walk down the hallway and stick his head in the door. So, I think that going forward, we always have to weigh between here and actually getting out closer to Indian Country, but it's a decision that you guys as council have to make and we will definitely follow your lead.

P. Holder This is Porter. I will be busy the seventh, eighth and ninth of August. I've been asked to be a panelist. I haven't gotten all the details of it yet, I think it's ... exposure for the council here too. So, I will be busy the seventh, eighth and ninth.

M. Wadsworth It's getting real close here to public comment period time. If you could get those emails out and get your responses back from everybody and share those with me, John, I appreciate it.

J. Lowery I surely will.

M. Wadsworth Then, do you want to go into setting the ground rules of the public comments with people coming onboard?

J. Lowery Yes. As we move into the 4:00 hour, we are expecting a couple of comments from the public, and we definitely do appreciate you guys calling in. According to the federal register notice, which is what pretty much sets the rules for our meeting, each presenter will have three to five minutes. So, we would ask that you please keep your remarks within that three to five-minute period and we will be asking the moderator to come on in just a minute and he will actually provide us with instructions if he hasn't already for how you can come in over the phone and request to speak. So, I'm going to ask the moderator, James, are you there?

Moderator Yes, I am.

J. Lowery Can you tell everyone what to do as far as being able to chime in?

Moderator Instructions.

M. Wadsworth Now, James, we do have Angela Sandstol that has to be recognized first. Then, Zach Ducheneaux from the Intertribal Ag Council, and then we'll proceed with the other order of commentees.

Moderator Okay. Angela Sandstol, her line is open, and we do have one question on the phone.

M. Wadsworth Thank you, James.

Moderator It's going to come from the line of Robyn Jackson. Please go ahead.

R. Jackson My name is Robin Jackson, and I'm with the Dine Policy Institute out of the Navajo Nation. I had attended the StrikeForce roundtable USDA meeting yesterday, and so, I heard about this question from Gil Harrison, but basically I'm part of this research institution that has been working on food sovereignty research for the past year, working at how to rebuild food systems, food sovereignty and also food policy for the Navajo Nation. So, I have some comments and recommendations for the council but also for USDA based on how the USDA support traditional foods, native foods and seeds as well as feed protection for Native communities,

and I think one recommendation as well that we have is having education grants for Native communities so that communities are able to feed themselves and also so this is for people who do small scale farming and gardening and how do we increase access for healthy meats, fresh foods on our title one? If I could get someone's e-mail address from the council because we have written up recommendations, so if I could get that as well.

J. Lowery Robyn, this is John Lowery. I'm the designated federal officer for this, but I would definitely like to give you my e-mail address so you can just send it to our office, to the Office of Tribal Relations, and I can share with Leslie, who can also share with the rest of the council. My e-mail address is John.Lowery@OSEC.USDA.gov. I appreciate you attending the StrikeForce event yesterday with Max and Butch and Gil. Thank you.

R. Jackson Thank you.

M. Thompson This is Mary Thompson. May I comment?

J. Lowery Yes, ma'am.

M. Thompson Anytime that a tribal member mentions the word traditional food or traditional or medicinal plant or anything like that, one of the concerns that always pops up in my mind is intellectual property rights of problem members of tribes of Native people. So, I hope as we're looking at addressing these types of things that we'll keep that in mind and consider some options or some protection for tribal members and tribes as it pertains to our culture, our history, our uses of medicines, of food and our intellectual property rights. Thank you.

J. Lowery Thank you, Mary.

A. Sansdstol This is Angela.

M. Wadsworth Angela, go ahead.

A. Sansdstol Thanks, Mark. I wanted to take my council hat off for a bit and introduce myself, how I really got involved with being on the council. I am the Executive Director of the Alaska Tribal Conservation Alliance. The alliance was formed in May of 2011 by five tribal conservation districts in Alaska, and they are Tyonek, the Mountain Village, Kuigglugmiut, Nunivak Island and Copper River.

The mission of ATCA is to provide education, collaboration and outreach to the TCDs in Alaska to preserve and enhance the natural resources and traditional subsistence way of life. We have worked very hard and I have also volunteered a lot as such as other people have to get this going, and now, three years later in 2014, ATCA will be closing its doors because of lack of funding unless a solution is identified. We can appreciate that there's a lack of funds available with budget cuts and the sequestration, and we can realize that we have to come up with methods to make ourselves self-sufficient, but there's also hope that USDA can appreciate the work that has been done in such a short time in Alaska. We need to keep the momentum going.

Alaska TCDs have no funding to start their work. The lower 48 tribes have casinos. Gambling is illegal in Alaska. There are five established TCDs, as I mentioned earlier, and there are six more at a various stage of formal recognition. That is eleven in three years.

The NRCS was funding our alliance. However, due to the cuts in the budget, we have been informed that there will be no funds for the alliance in 2014. I also submitted a grant to the EPA but was deemed ineligible.

Alaska TCDs are in their infancy and we need direction from the alliance. The alliance hosted a very successful symposium last year involving over 20 federally recognized tribes. There's another symposium scheduled in August, and I would like to invite Leslie Wheelock to attend the symposium to see and hear Alaska's conservation issues in person.

Alaska has been underserved with the first TCDs established in 2006, and now Alaska has been cut so much that there are only two conservations for the whole 229 tribes and over 586,000 square miles of land. It has been slow to fill in the positions that are here because of retirement and federal cuts. I would like to recommend a fund be set up to pool a funding for TCD development to not only Alaska but other states as well.

I only have one other thing is the meeting notice. The federal register in Alaska, we cannot give public testimony if we're not aware of the public meeting. Alaska has intermittent internet access. Mail can be weathered out for a week or more, and my binder, I received it yesterday, and it was UPS. So, I really think we need to work a little harder to get people in here to try to get them to public comment. Thank you.

M. Wadsworth I'm sure that what we have has gone through the council through Leslie, she will be in contact with the appropriate NRCS people and possibly FSA people on that issue, and at this time, too, I'd like to recognize Zach Ducheneaux. Are you available? I guess not. James, is there anybody else in the queue?

Moderator Yes. We have another person in queue. It's from the line of Christine Webber. Please go ahead.

C. Webber Good afternoon, everyone. I just wanted to say a couple words since Sarah had mentioned that I've been looking at the very helpful data that was provided by FSA with Sarah. I've been working with Class Council for the last several years and I'm particularly focused on analysis of the data on loans, and I was very interested by the data that was provided and I think it gives us an avenue to explore and very much look forward to working with Leslie Wheelock to explore further what improvements can be discerned from the data, but there's obviously a lot that was encouraging there but also a few states in particular that suggested some more work to be done.

J. Lowery Mr. Chairman, this is John. Could I just ask Angela if she would provide us with some of those numbers via e-mail? Angela, Leslie and I will definitely work to get a call in with you and some of the individuals within NRCS as you are aware and the head of executive director. Okay?

A. Sansdstol That sounds good. Thanks, John.

J. Lowery Thank you.

M. Wadsworth James, is there anybody else in the queue?

Moderator There is no one else in queue at this time.

G. Harrison This is Gil. I've heard comments and public comments. I think somewhere along the line, I think ... optimized by your office, John, and a little more written information on that and then how should the council respond to these questions and recommendations because these people have taken the time to make the comments known and I think they deserve a written response. So, I think that's something the OTR needs to start and the council needs to start addressing. How do we respond formally to these comments? Thank you.

J. Lowery As the council, as you guys are receiving these comments, you do need to come up with a way to respond to them. So, that's something that you guys definitely need to decide because just like with the recommendations to the secretary and how you guys have to put them together, any type of response that the council is doing, the council needs to have a way of putting something together and providing it. So, we can definitely keep track of those who are calling and providing a good recommendation, good comments, and at the same time, we do need a way to respond.

M. Wadsworth I agree. I think that will be some coordination through the OTR especially with some of these comments that are pretty much agency specific that we need that and we'll pass that onto the agency and then the agency needs to respond to us or respond directly to them because we're basically trying to answer and solve the problems and the issues. I guess, ... since it is running into Friday, maybe we will not have that many comments. So, if we don't have anything else here within the next few minutes, we might close it up, but we'll leave it open, or is that the option, John, or do we have to be here until the designated hour?

J. Lowery Well I think that—hold on. I just got an email from Zach saying that he is on the line.

M. Wadsworth He's in the queue?

J. Lowery Well, he is on the line. So, we definitely need to try to get him on there. Zach, if you can hear me, James, what is the code to push to speak?

Moderator We do have another person in queue. It's from Zach Ducheneaux. Please go ahead.

J. Lowery Thank you, James.

Z. Ducheneaux Thank you, everybody. Always a pleasure to visit with the council, and I understand I have three to five minutes. I've been listening in for the last couple of hours, and I got a chance to hear most of Chris' presentation and Chris is right. He has been very helpful. The USDA has been very helpful in dealing with the knuckleheads, as he put it, and we look forward to his continued cooperation on that.

What I would like to offer is I'll summarize the findings of the Tribal Technical Assistance Network over the last couple years. If at any point in time, anybody has a question, please ask. In addition to that, I'll submit our report as our comment in written form. That way you can all read them in the leisure of your own existence. Anybody have any objections to that?

M. Wadsworth None.

Z. Ducheneaux Very good.

Z. Ducheneaux Our first proposed solution and this was from our first year of operation was that a handbook on farm loans specific to Indian Country be developed to explain some of the things like the circumstances such as Sarah was talking about with the Indian Health Service causing a bad credit history to cause a credit card to go to a higher interest rate to cause a producer to fall behind on other bills all because of something that he wasn't obligated to pay to start with, and the nature of the first you must have the lease before you can have the loan, first you must have the loan before you can have the lease relationship at the BIA that Sarah relayed to you all. I think that with the council's help, the Office of Tribal Relations

and the IAC, we'll gladly put together such a handbook, and that handbook would be required training for any loan official in Indian Country. They should know the breadth and depth of the world that they're working in before they're turned loose to make loans in that country.

The second proposed solution we have is that there is more direction from the national level to state and local officials communicating the emphasis that the secretary drove home at our membership meeting two years ago about I don't care if you fail, I do care if you don't try. I don't think there's a lot of try in some of these folks, and we need to help instill that in them so that they'll try harder on behalf of our Indian producers.

During the course of our existence, we have identified what we feel is a phenomenon that should be referred to as credit deserts in Indian Country and that is the lack of available commercial credit in Indian Country comparable to what exists in non-reservation communities. Because of that, we have a couple of different solutions; one, the FSA becomes a preferred lender for Indian producers. That's our first approach. These producers that can already go to commercial credit are going to anyway, but for Indian Country, this is our first and best opportunity. With regard

to the credit deserts, rather than try to force borrowers to graduate, we think that the FSA should focus their emphasis on—

Z. Ducheneaux

I'm sorry. Was there a question? We think the FSA should focus their energy on developing a financing structure that helps the borrower ... his capacity for graduation rather than get the FSA's money back in the quickest time practicable. We have some recommendations as they pertain to Risk Management Agency, one of which is coming up in pretty short order.

In federal crop insurance for federally subsidized crop insurance, often the producer doesn't have to pay the premium on the insurance policy until after he's harvested his crop. That's not the case with the livestock policies the Risk Management Agency offers and it keeps a lot of ranchers, cattle producers, whether they're cattle farmers or cattle ranchers, it keeps them from participating in this safely in that program because they have to come up with the money for a premium upfront as opposed to what the crop producers have to do, and we would like to see a deferred premium payment on the Risk Management Agency livestock policy.

We have some recommendations in rural development that I'll submit in writing. The second year finding, the first solution that we propose is that the FSA take a more progressive and holistic approach. Currently, a borrower must be deemed credit worthy after an examination of his credit history then deemed management capable based on his history of management and then after they clear those two hurdles, then they look at the business plan. We've had circumstances where the business plan that was put in place should the producer have been funded would have addressed all of the issues on the man's credit history and had him with improving credit over the first year and all of his "bad debts" paid off within the first year from his ranching operations but because he was deemed unworthy for the program, he never got in the door and didn't get the offer of assistance. We think that's a factor of Indian Country and maybe of the nation as a whole that's going that's going un-served, and we have to try to meet in the middle somewhere and the reliance on the credit report as a determination of credit worthiness as a standalone factor in whether or not they get a loan, we think has to be addressed.

We are experiencing some instances of FSA loan officers getting too far into the management decision making of the operation. What this leads to is a producer who's working for someone else's dream, someone else's

idea. We don't feel like he's going to be able to give as much of himself if he's working for the farm loan officer's plan in Mellette County as he would if it was something that he came up with and his plan was considered and funded. So, we need some guidance to the farm loan officials as to what is a management decision and what is a lending decision, and just cut me off, Mr. Chairman, if I get too long winded and I can submit the rest in writing.

The next solution that we have is use the latitude given in current law and regulation to structure FSA debt in a manner that helps ensure success to the borrower including the amortization of first-year operating expenses over the life of the loan. We have a recommendation with regard to borrower training. We feel that in addition to having the vendors develop a curriculum to send our borrowers to ... borrower training, we also have them develop a test if you will to see if they have the ... needed. I sat in on a couple of the borrower training courses, and quite frankly, they didn't offer anything that the producer probably didn't already have.

M. Wadsworth Zach, if you will, I'll ask you to end. Is there anybody else in the queue?

Moderator There is no one else in queue at this time.

M. Wadsworth Go ahead, Zach, as long as you want.

Moderator Just a moment, sir. Go ahead, sir. Your line is open again.

Z. Ducheneaux Thank you, James, and thank you, Mr. Chairman and the council, one more time. We run into a circumstance in Indian Country specifically that the FSA doesn't comprehend the familial nature of our businesses. We're a very familial society. A lot of times, transactions happen between family members without dollar amounts affixed to them. Oftentimes when the FSA imposes its regulations or understanding of the regulations on that situation, it creates bad blood between that family that had been getting along doing that for 25 years.

We feel that if you take a look at the actual history of the operation in question, you can determine if that is a valid agreement. Oftentimes, we find that the agreements that are written on paper won't end up being worth the paper they're written on anyway. So, I think the FSA needs to write it to improve its understanding of the nature of business on Indian reservations and in Indian Country to include that type of transaction.

The last recommendation we have with regards to this year's findings would be as they pertain to FSIS and the movement to action on the horse slaughter, horse processing, horse harvesting issue that was discussed earlier. We feel that it would be very beneficial to the Secretary of Agriculture in his discussions with both sides of this very contentious issue if he'd visit the Yakama Reservation or the Navajo reservation to see the degradation of the natural resource that is happening due to the feral horses.

I think it's important that we distinguish a feral horse from a wild horse. The wild horses, Nevada, that are protected are different from a feral horse that's dropped off on the Yakama because someone in Seattle doesn't want to feed it anymore. That's an issue that's being born at a greater ratio in Indian Country than it is elsewhere. One final solution to that end, we feel it is important that there is an official designation by the USDA that a horse is an agricultural product every bit as much as a round baler or a combine that can be purchased and operated with USDA money to harvest a crop to turn it into a product. Many producers in Indian Country use the grass that they have to develop a horse that is a product that they then sell as a value-added ag product and it is left out of the farm loan site altogether in most cases.

With that, Mr. Chairman, I will submit a rather lengthy second-year report to John for distribution to the council. It will have my contact information. If anybody would like any further information on any of these issues or has any questions, I'd be glad to field them at this time. We do have even a couple of case study examples with producers, anonymity protected of course.

M. Wadsworth Appreciate that, Zach. Does any of the council have any questions?

S. Vogle We really appreciate the work you do, Zach. This is Sarah.

Z. Ducheneaux Thanks so much.

G. Harrison This is Gilbert. Just a couple of comments here—one, I do appreciate all the people that have taken time to address their concerns with the council. I believe very strongly that a formal response from the council to these people is important because they're addressing it to us. We can let the USDA folks do an analysis and make their recommendations. Then, I think the council needs to look at it and decide how we're going to respond to these people that are making the recommendations because some may

require just a simple working relationship with USDA. Others may require the intervention of the secretary. So, I think it should come back to the council for discussion before a formal response is given. That's the way I think and maybe I don't know how the other members think. Thank you.

M. Wadsworth Thank you, Gilbert. James, is there anybody else in queue?

Moderator Instructions.

J. Lowery Mark, I think Angela has someone who is in the room with her that would like to comment. Angela, could you introduce?

C. Cincotta Angela has stepped out, but this is Christy Cincotta. I'm with the Tyonek Tribal Conservation District in Alaska. I just wanted to talk a little bit about Tribal Conservation Districts in Alaska. Tyonek Tribal Conservation District was the first TCD to be formed in the state of Alaska, and we have been able to participate in several programs to assist with assistance resources and encourage access to USDA technical and financial assistance through NRCS as well as other programs.

This past year, we received a grant through the USDA Office of Advocacy and Outreach to not only with Tyonek but two other tribal conservation Districts in the state of Alaska, Mountain Village and Kwethluk. So far, I think we've been able to see some small successes as we continue to work. Having Tribal Conservation Districts just like in the lower 48 is really important for having that local entity to really help with access to USDA programs. I think if there's any way that we can get more support to help with these different communities starting Tribal Conservation Districts, that would really be useful in increasing access to all of the different USDA programs just as it has been in the lower 48.

M. Wadsworth Thank you.

Moderator We have no one in queue at this time.

M. Wadsworth John, on that question, is this comment period until five or can we end early?

J. Lowery You can end early, but you just need to be, but everyone needs to be in agreement to end early. I think somebody is already playing the music with the fat lady singing.

C. Beyerhelm Mr. Chairman, this is Chris, if I could just make a comment.

M. Wadsworth Yes, Chris. Go ahead.

C. Beyerhelm I don't disagree with what someone was saying about responding to comments, but I think that in the future then we need to ask commenters to do like Zach did where he laid out a recommendation that we can respond to, and I think some of the comments are just comments or John or Leslie is going to have to figure out what's a comment and what's something we need to respond to. So, I think it might be helpful in the future if we asked commenters to—I don't want to tell people how they have to say things, but I think this could be difficult to handle especially when we go to Vegas again. We had, what, 60 people comment? We're going to spend—and some of them were just giving a statement, so just throwing that out for thought.

S. Vogel This is Sarah. I very much like the comments from Zach because he's recommending specific changes, giving reasons for those changes, and that would be a relatively easy document to work with at the next meeting or in advance of the next meeting if it were to be on the agenda. So, I

think at least that and what Angela was recommending, same concept. I'm much more of a visual person, if I see a memo in writing, it's a little easier, and I know Zach is going to send something out and I think Angela will too, but I like the idea of taking input and doing something with it.

M. Wadsworth Me and Leslie and John will start working on some sort of even maybe even a pleasantry I guess to call it something else that we did receive your public comment and we appreciate it and if it was a statement so to speak or if it's a direct concern, then we will address the appropriate agencies.

S. Vogel This is also potentially room for subcommittees to work on in the interim of committees to work on in the interim. I just mentioned that. I know we've talked about that in the past why we've only met as a whole.

J. Lowery Someone needs to put their phone on mute. We hear a bunch of children. Sounds like maybe someone has gone to pick up the kids or something.

M. Wadsworth I think kindergarten got out or something.

J. Lowery Put it on mute. Thank you. Anything in the queue, James?

- Moderator There is no one in queue.
- M. Wadsworth I think if anybody was willing to do a comment at this time, they would have been in the queue by now. They've been in this session for a good 35, 40 minutes. All in favor, I guess if you have one last comment you want to make or we'll end this meeting if everybody is in favor.
- Z. Ducheneaux Mr. Chairman, this is Zach, if I may. I'd just like to offer, I know a lot of the council members from our sidebar discussions have a lot of very good recommendations themselves, and I'd like to offer the services of our network staff in their locality to help them get those put to paper or do the research for them if they need. We really believe in the efforts of the council and we want to make sure that we give them proper credence to the wisdom and the ... accumulated by the council members over the course of their existence. So, if there's anything that we can do to help you put things in writing, to help do some research, to correlate and see if we have any research on a particular subject, please use us and we are a resource for you to use.
- M. Wadsworth Appreciate that, Zach and thank you.

E. Soza Zach, thank you. I may be calling on Daniel or somebody.

E. Soza Mr. Chairman, earlier when my phone wasn't working, I could hear, but I couldn't make a comment. I had one comment before we adjourned. Actually, is Mr. Gibson still there? Rick Gibson?

Moderator Mr. Gibson is still on the call and his line is open.

E. Soza This goes back, I wanted to ask this question earlier, but my phone wasn't working. Gilbert had brought up an issue about BIE schools with using some of that remaining money. I know it says the money is supposed to go to nonprofit organizations that provide services to Native Americans. With the sequester hitting, all BIE schools are—the funding is—they're losing some of their funding, which is going to hurt all the schools throughout the United States, all the BIE schools anyway, and is there any way that once all the checks have been cashed, we have that remainder of money sitting there, is there anything in the settlement agreement that says we could possibly use some of the—turn it into a grant or whatever form that would be adequate to help fund ag programs in BIE schools?

- R. Gibson Thank you for your question. Right now, the way the settlement agreement is written, the money is prevented from going to any educational institutions, Land-Grant colleges, tribal colleges, BIE schools. So, that's one of the changes that would need to be made to open it up to more potential beneficiaries, but it still has to tie to the class in this case. It has to tie to Native American Farmers and Ranchers who farm during the period. So, in some senses, that may be a difficult stretch, but again, there is a large amount of money out there and there are creative ways I think.
- E. Soza Like the BIE school on my reservation, there are about ten to twelve high school students that want to get in ag. They want to start raising cattle. The majority of them don't want—would rather get a grant to buy—maybe to ... and start from there and we have the land base, we have water, we have everything we need for them to get started, but they don't want it as a form of a loan. They would like to see it in the form of a grant to get their business going while they're still in high school basically also. So, that once they do graduate, then they can possibly move into bigger operations and contribute more to even the community.

R. Gibson That way they get the management experience and then later on in life can qualify for loans without many problems at all. So, right, there's this large amount of money has potential as a legacy. That's clear, but whether it can be tied to a definition to the class members because it has to be for the benefit of the existing class members.

Now, the X factor that I didn't talk about during my presentation is the judge himself. None of us Class Council, government, anyone associated with this case has any illusions that the judge is going to act as a rubber stamp here. The judge is going to have his own clear ideas I think.

E. Soza That's understandable.

R. Gibson About where and how and who and countless numbers of questions I'm sure. So, whatever goes forward, hopefully at the end of the summer or earlier if possible, we'll be met by the judge and presented to council as we go along.

C. Beyerhelm Edward, this is Chris. I know you're talking about grants, but I just want to remind you that we have a youth

- E. Soza They would actually prefer it in grant form, so would the school board.
- C. Beyerhelm The interest rate is 1.25 so it's pretty close to a grant.
- E. Soza That's true. Actually, if it was in the form of a loan, it would teach them a little bit more financial responsibility also but just to get our youth involved a little bit more.
- C. Beyerhelm I agree. I just wanted to make sure everybody's aware of that opportunity.
- S. Vogel This is Sarah Vogel, and I'd just like to weigh in a little bit on the entities or the people that have to be the potential beneficiaries. The way the settlement agreement now is written, the money from the fund, the settlement, the leftover funds must be provided to nonprofit organizations that provided services to Native American farmers and ranchers between '81 and 2011. That would be to the group. So, in theory, I think that, for example, a grant could be made to a group that provided services to folks who were not active farmers and ranchers during this period but rather the next generation that would be coming up. I don't know if Christine is still on the line. Christine? ..., but I guess that's one of that items we would certainly be discussing.

Moderator Did you want Christine Harper or Christine Webber?

S. Vogel Christine Webber.

Moderator Ms. Webber, your line is open.

C. Webber Thank you. I think I just echo what Sarah said. The specific definition is that the not-for-profit organization eligible for Cy Pres funds has to be one that was providing services to Native American farmers and ranchers between 1981 and 2011 and as currently written does exclude specifically educational institutions and legal services organizations, and so, obviously the educational piece is an issue, but the fact as long as the organization served Native American farmers and ranchers during that period and as long as the money would be used to benefit Native American farmers and ranchers moving forward, I don't believe it's the case at all in any of the language currently in the settlement agreement that the people benefitting from the not-for-profit organizations services or assistance be people who are class members, which would limit it obviously to people who had interactions with FSA going back prior to 1999 and would therefore presumably exclude most school children. Obviously, this is subject to

some sort of discussions as has been indicated by Rick's comments and Sarah's comments already, but the plain language of the settlement agreement doesn't limit the beneficiaries to those who would be serving directly the actual class members as long as they're serving Native American farmers and ranchers.

S. Vogel

I would add that my understanding is that there are 200 FSA chapters throughout the United States and probably growing a lot that did nominate themselves as primarily Native Americans. So, I think there's enormous interest in the younger generation to become farmers and ranchers, and the youth loans that Chris mentioned and there's a new mini loan or microloan program and maybe the Keepseagle Settlement could really create a new day for Native Americans now and into the future.

M. Wadsworth

Thank you. Anybody in the queue, James?

Moderator

There is no one in queue.

L. Wheelock

Mr. Chairman, this is Leslie Wheelock. I have been relatively quiet on here and I know that you all are accustomed to Janie and I know as she is my friend, that that's not usually a quiet position that she assumes in the

meetings like this. I've been here two weeks, which is just one week shy of probably the worst time to join you all and to come in knowing what I should know and hope to know. I also, however, would like you all to know that I am here for you. If you need a recommendation, if you need somebody to talk to, if you have an idea, if you want to try to pull together a conference call or something like that and you need assistance, please do not hesitate to reach out to me. I'm here for you. Thank you.

M. Wadsworth Thank you, Leslie. Well, seeing as there's no one in the queue and if anybody else has any other comments, we'll get to that, but if you'd like to close the meeting, I'd like to hear yay or nay. So, all those in favor of closing the meeting, I don't know if it's appropriate for me to do it just as an individual chairman or should we go through appropriate process with formal motion and second? What do you think, John?

J. Lowery You all are the council.

E. Soza Well, if nobody has anything else, I would make a motion that we adjourn.

P. Holder I second that.

M. Wadsworth Then motion's been seconded to adjourn. All those in favor say I.

All I.

M. Wadsworth Anybody say nay? Thanks for the meeting guys, and we'll be talking with
you soon.

Unidentified Have a good weekend.

M. Wadsworth Thank you.

Moderator That does conclude the call for today. Thank you for your participation
and for using AT&T Executive Teleconference.