



INTERIOR BOARD OF INDIAN APPEALS

Absentee Shawnee Tribe v. Anadarko Area Director, Bureau of Indian Affairs

18 IBIA 156 (02/20/1990)



United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS
INTERIOR BOARD OF INDIAN APPEALS
4015 WILSON BOULEVARD
ARLINGTON, VA 22203

ABSENTEE SHAWNEE TRIBE OF INDIANS OF OKLAHOMA
v.
ANADARKO AREA DIRECTOR, BUREAU OF INDIAN AFFAIRS

IBIA 89-48-A

Decided February 20, 1990

Appeal from a decision disapproving a tribal Land Consolidation and Acquisition Plan.

Reversed and remanded.

1. Indians: Lands: Trust Acquisitions

In the absence of any statutory or regulatory criteria for the approval of a "plan for the acquisition of land in trust status for [an Indian] tribe" under 25 CFR 151.2(h), a Bureau of Indian Affairs official may devise and employ reasonable criteria to review such a plan.

2. Indians: Lands: Trust Acquisitions

It was not reasonable for the Bureau of Indian Affairs to disapprove a tribal plan for the acquisition of land in trust status under 25 CFR 151.2(h) on the basis of criteria derived from a provision in the Indian Land Consolidation Act, 25 U.S.C. § 2203 (1983 and 1984 Supps.), concerning sale or exchange of tribal lands.

APPEARANCES: F. Browning Pipestem, Esq., Norman, Oklahoma, for appellant.

OPINION BY ADMINISTRATIVE JUDGE VOGT

Appellant Absentee Shawnee Tribe of Indians of Oklahoma seeks review of a January 18, 1989, decision of the Anadarko Area Director, Bureau of Indian Affairs (BIA; appellee), disapproving its Land Consolidation and Acquisition Plan. For the reasons discussed below, the Board reverses that decision and remands this case to appellee for further consideration.

Background

In early 1987, appellant submitted a proposed Land Consolidation and Acquisition Plan to the Shawnee Agency (Agency), BIA, for review and technical assistance. This plan was developed after analysis of appellant's

existing land base and anticipated future needs. Appellant's original reservation, which was concurrent with that of the Citizen Band Potawatomi Tribe of Oklahoma, was generally bounded to the north by the North Canadian River, to the south by the South Canadian River, to the east by the eastern edge of what is presently Potawattomie County, and to the west by the Indian Meridian. Of the original reservation, only 289.25 acres are presently owned by appellant.

Concerned with such factors as a high tribal unemployment rate, low educational level, substandard housing, low standard of living and high disease rate, and its own inability to generate additional income from existing tribal lands to assist its people's economic development, appellant developed a goal of planned acquisition of additional lands in order to increase the tribal land base and gain access to new economic markets within Oklahoma. Through this plan of acquisition, appellant hoped to acquire lands suitable for economic development, develop economic enterprises, increase tribal income through an increased tax base, and create new jobs. As stated at page 18 of its proposed plan, "[t]he overall purpose of this plan is to access the Absentee Shawnee Tribe of Oklahoma to a greater geographic area which meets the aforementioned criteria [for being suitable for economic development] by extending our existing land acquisition area some thirteen and one-half (13½) miles to the west of our existing reservational boundary." ^{1/}

By letter dated July 16, 1987, the Agency Superintendent (Superintendent) informed appellant that the Anadarko Area Office (Area Office) had reviewed the draft plan and had requested (1) a map showing the intended area of acquisition in relation to the original reservation boundaries and (2) photographs of the "String of Pearls" tract, which would be the first acquisition under the plan, depicting its relation to downtown Oklahoma City.

The requested items were provided and the final plan was submitted in July 1987. The Agency sent the plan to the Area Office on September 3, 1987. The Agency indicated it found no deficiencies in the plan, but was

^{1/} Appellant indicated in its proposed plan that two opportunities had already been presented that were consistent with the plan. The first opportunity concerned a proposal from the Oklahoma City Riverfront Redevelopment Authority for appellant to acquire a tract of land consisting of approximately 60 acres along the North Canadian River within the city limits of Oklahoma City at the intersection of Interstate Routes 35 and 40. The tract, which had been part of a proposed "String of Pearls" development of 7 tracts along the river, had not been developed. The second opportunity consisted of the acquisition of an existing shopping center in Norman, Oklahoma. Both possible acquisitions apparently involved donations of land to appellant. Appellant stated at page 16 of its plan that "[b]oth of these existing situations illustrate the opportunities that the Absentee Shawnee Tribe presently cannot take advantage of as a result of the inability to acquire real property outside its historic reservation area."

concerned about the size of the proposed expansion area and staffing problems that might occur within the Agency if the plan were to be fully implemented. Despite its concerns, the Agency recommended that consideration be given to approval of the plan.

The Area Office concurred with the Agency in its statement that the proposed area of the plan might be excessive, but noted that the area could easily be scaled down. Under instructions then in effect, on September 21, 1987, the Area Office sent the plan to the Washington, D.C., BIA office for approval. The Area Office noted no problem with the plan other than the geographical size.

Subsequently, the Assistant Secretary - Indian Affairs authorized BIA Area Directors to approve off-reservation land acquisitions. Accordingly, on July 5, 1988, appellant was informed that the plan was being returned to appellee for consideration. By letter dated January 18 and received by appellant on January 24, 1989, appellee disapproved the plan, indicating that it did not meet the necessary criteria for approval and stating at page 1:

Congress has enacted a number of laws which authorize the acquisition of land in a trust status for individual Indians and Indian Tribes. None of these laws speak to authorization, recognition or creation of Land Acquisition Plans. The Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1466 [(1982) 2/]) provided for loans and loan guaranty and insurance which could be used to acquire land in a trust status for Indians and Indian Tribes within an Indian Reservation or an approved "Tribal Consolidation Area," and the Indian Land Consolidation Act of January 12, 1983 (Title II of P.L. 97-459; 96 Stat. 2515), as amended by Act of October 30, 1984 (P.L. 98-608; 98 Stat. 3171) (25 U.S.C. §§ 2201-2211 (ILCA)] provides that any tribe is authorized with the approval of the Secretary to adopt a "Land Consolidation Plan." The premise of both laws was for the purpose of

2/ 25 U.S.C. § 1466 provides:

"Title to any land purchased by a tribe or by an individual Indian with loans made from the revolving loan fund may be taken in trust unless the land is located outside the boundaries of a reservation or a tribal consolidation area approved by the Secretary. Title to any land purchased by a tribe or by an individual Indian which is outside the boundaries of the reservation or approved consolidation area may be taken in trust if the purchaser was the owner of trust or restricted interests in the land before the purchase, otherwise title shall be taken in the name of the purchasers without any restriction on alienation, control, or use. Title to personal property purchased with a loan from the revolving loan fund shall be taken in the name of the purchaser."

All further citations to the United States Code are to the 1982 edition.

eliminating fractional interests in Indian trust or restricted lands or consolidating land holdings. A consolidation area should reflect some rational plan to consolidate land. In this instance the expansion area does not meet that criteria, it gives the appearance that the tribe is seeking carte blanche authority to acquire random tracts all over the area, rather than to further any actual land consolidation plan.

On January 25, 1989, appellant asked appellee to provide it with the specific evaluation criteria that were used in disapproving the plan. When the requested information was not received, by letter dated February 21, 1989, appellant filed a notice of appeal with appellee.

By letter dated February 23, 1989, appellee provided information concerning his evaluation criteria. Appellee stated that BIA did not have specific criteria for evaluating the type of plan appellant had submitted. Therefore, he indicated that the Area Office had developed its own criteria to justify and support the decision. He stated that the phrase "tribal consolidation area" was first used in the Indian Financing Act of 1974 and that the only reference to the phrase in the act's legislative history indicated "that one of the purposes of the proposed legislation was to give tribes a method of consolidating their land base and buying up fractionated interests" (Feb. 23, 1989, letter at 1).

Appellee then looked to ILCA as a source for criteria to evaluate a "land consolidation plan." Appellee quoted 25 U.S.C. § 2203(a), which provides:

Notwithstanding any other provision of law, any tribe, acting through its governing body, is authorized, with the approval of the Secretary to adopt a land consolidation plan providing for the sale or exchange of any tribal lands or interest in lands for the purpose of eliminating undivided fractional interests in Indian trust or restricted lands or consolidating its tribal landholdings: Provided, That --

(1) the sale price or exchange value received by the tribe for land or interests in land covered by this section shall be no less than within 10 per centum of the fair market value as determined by the Secretary;

(2) if the tribal land involved in an exchange is of greater or lesser value than the land for which it is being exchanged, the tribe may accept or give cash in such exchange in order to equalize the values of the property exchanged;

(3) any proceeds from the sale of land or interests in land or proceeds received by the tribe to equalize an exchange made pursuant to this section shall be used exclusively for the purchase of other land or interests in land;

(4) the Secretary shall maintain a separate trust account for each tribe selling or exchanging land pursuant to this section consisting of the proceeds of the land sales and exchanges and shall release such funds only for the purpose of buying lands under this section; and

(5) any tribe may retain the mineral rights to such sold or exchanged lands and the Secretary shall assist such tribe in determining the value of such mineral rights and shall take such value into consideration in determining the fair market value of such lands. [3/]

Based on the requirements of ILCA, appellee determined that appellant needed to add three sections to its plan in order for it to be approvable:

1. Clearly demonstrate how the Plan will accomplish the purposes of eliminating fractional ownership or consolidating tribal lands,
2. Provide at least a general plan for the reinvestment of proceeds received from the sale of tribal land, and
3. Ensure that all sales of tribal land are for no less than fair market value.

Appellee forwarded appellant's notice of appeal to the Washington, D.C., BIA office, where it was still pending when new appeal regulations for BIA and the Board took effect on March 13, 1989. See 54 FR 6478 and

3/ Appellee's letter also included a definition of "land consolidation plan" from a draft revision of 25 CFR Part 152. Appellee recognized that the revision was not in effect, but stated that he believed the definition was consistent with the Department's position concerning land consolidation plans. The draft definition provides:

"Land consolidation plan means a detailed plan devised by a tribe and approved by the Secretary which contemplates the sale or exchange of any tribal lands or interests in land for the purpose of eliminating undivided lands or consolidating its tribal land holdings. If the reservation does not encompass an area sufficient to permit a meaningful consolidation plan, the plan may contemplate the consolidation of land in a specified area adjacent to the tribe's reservation boundaries. The plan will, at a minimum, include an explanation of how the tribe will accomplish the purposes of eliminating undivided interests or consolidating the tribal land base; a map, depicting in general, what lands or interests are covered by the plan; guidelines for the purchase of new lands with the proceeds of any lands sold or exchanged under the plan; and, designate under what authority the plan was approved or authorized by the tribe. The plan and supporting documents will be submitted to the Superintendent for approval by the Secretary."

6483 (Feb. 10, 1989). The appeal was transferred to the Board for consideration under those new procedures on May 16, 1989. Because the materials in the administrative record indicated that appellant was willing to work with BIA, by order dated May 23, 1989, the Board stayed proceedings before it pending good faith settlement negotiations between the parties.

In June 1989, discussions were held between representatives of appellant, the Area Office, and the Agency, during which the matter of the geographic area covered by appellant's plan was again addressed. However, by letter dated July 5, 1989, appellee reaffirmed his disapproval of appellant's plan, stating:

At this point, the question of area is not paramount. The issue before us is to determine if your recent transmittal complies with the provisions of [ILCA] regarding the adoption of Land Consolidation Plans. At your request, and by letter dated February 23, 1989 we provided the specific criteria utilized in evaluating your plan and also included a proposed definition which we feel is consistent with the department's current position on Land Consolidation Plans.

After receiving this letter, appellant determined that further settlement attempts would be fruitless and requested the Board to lift its stay. By order dated July 17, 1989, the Board lifted the stay and established a briefing schedule. Only appellant filed a brief.

Discussion and Conclusions

Regulations governing the acquisition of land in trust status for Indians and Indian tribes are found in 25 CFR Part 151. 25 CFR 151.3(a) provides:

Subject to the provisions contained in the acts of Congress which authorize land acquisitions, land may be acquired for a tribe in trust status (1) when the property is located within the exterior boundaries of the tribe's reservation or adjacent thereto, or within a tribal consolidation area; or, (2) when the tribe already owns an interest in the land or, (3) when the Secretary determines that the acquisition of land is necessary to facilitate tribal self-determination, economic development, or Indian housing.

Section 151.2(f) provides that "in the State of Oklahoma * * * 'Indian reservation' means that area constituting the former reservation of the tribe as defined by the Secretary." Section 151.2(h) defines "tribal consolidation area" as "a specific area of land with respect to which the tribe has prepared, and the Secretary has approved, a plan for the acquisition of land in trust status for the tribe."

Appellant's "Land Consolidation and Acquisition Plan" clearly appears to have been intended as a plan for the acquisition of land in trust status under Part 151. Appellee's initial review of the plan also appears to have been conducted under this assumption. At some point before January 1989, however, appellee began to consider the plan under criteria derived from ILCA, pursuant to which he ultimately disapproved it. The issue in this appeal is whether appellee properly employed these criteria in evaluating appellant's plan, which was ostensibly submitted for approval under 25 CFR Part 151.

[1] The Department's primary statutory authority for the acquisition of land in trust status for Indians is 25 U.S.C. § 465, which vests broad discretion in the Secretary. ^{4/} See State of Florida v. U.S. Department of the Interior, 768 F.2d 1248 (11th Cir. 1985), cert. denied, 475 U.S. 1011 (1986). To the extent the Secretary has promulgated regulations specifying how this authority is to be exercised, he has limited his discretion. Cf. id. at 1257 n.11. However, to the extent he has not so limited it, the discretion vested in the Secretary by section 465 remains.

The authority to approve a tribal "plan for the acquisition of land in trust status" under 25 CFR 151.2(h) is an aspect of the Secretary's discretionary authority to acquire lands in trust status. No criteria for approval of such plans are contained in Part 151. The Board is unaware of any other statutory or regulatory criteria concerning this type of plan.

The Board finds that, in the absence of statutory or regulatory criteria, appellee had the discretionary authority to analyze appellant's plan under reasonable criteria of his own devising. ^{5/} Appellee's initial analysis, which took into account such factors as the geographic extent of the proposed consolidation area vis-a-vis the tribe's need for additional land, and BIA's ability to provide services to the land, appears to be reasonably related to the ultimate development of a realistic and manageable plan for the trust acquisition of additional land for the tribe.

^{4/} 25 U.S.C. § 465 provides:

"The Secretary of the Interior is hereby authorized, in his discretion, to acquire, through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments, whether the allottee be living or deceased, for the purpose of providing land for Indians."

Presumably, any trust acquisitions for appellant would be made under authority of this provision. See 25 CFR 151.5.

^{5/} Cf. City of Eagle Butte v. Aberdeen Area Director, 17 IBIA 192, 197, 96 I.D. 328, 331 (1989), in which the Board held that, while approval of a trust acquisition request is discretionary, in order to avoid any allegation of abuse of discretion, BIA's final decision should be reasonable in light of its overall analysis of the factors in section 151.10.

[2] The question remains whether appellee's later analysis, in which he employed "land consolidation plan" criteria derived from ILCA to evaluate a plan prepared for trust acquisition purposes, was reasonable. 25 U.S.C. § 2203, the ILCA provision concerning land consolidation plans, is directed primarily toward authorizing the sale or exchange of existing tribal lands, under certain conditions, rather than toward trust acquisition of new tribal lands. ^{6/} The statutory requirement that such sales or exchanges be for the purpose of "eliminating fractional interests in Indian trust or restricted lands or consolidating tribal landholdings" is clearly intended as a limitation upon alienation, rather than acquisition, of tribal lands. ^{7/}

Appellant's plan does not contemplate the sale or exchange of any lands it presently owns, but only the acquisition of new lands. In this context, the requirements established in appellee's February 23, 1989, letter, i.e., that appellant's plan "demonstrate how [it] will accomplish the purposes of eliminating fractional ownership or consolidating tribal lands, provide at least a general plan for the reinvestment of proceeds received from the sale of tribal land, and ensure that all sales of tribal land are for no less than fair market value," are largely irrelevant.

The Board finds that it was not reasonable for appellee to employ ILCA-derived criteria, related primarily to the sale or exchange of tribal lands, to appellant's "Land Consolidation and Acquisition Plan," which was intended as a plan for the acquisition of land in trust status.

Therefore, pursuant to the authority delegated to the Board of Indian Appeals by the Secretary of the Interior, 43 CFR 4.1, the January 18, 1989, decision of the Anadarko Area Director is reversed and this case is remanded to him for further consideration. In evaluating appellant's plan, the Area Director should employ criteria bearing a reasonable relation to the

^{6/} Trust acquisitions are the subject of the immediately preceding section of ILCA, 25 U.S.C. § 2202, which provides:

"The provisions of section 465 of this title shall apply to all tribes notwithstanding the provisions of section 478 of this title: Provided, That nothing in this section is intended to supersede any other provision of Federal law which authorizes, prohibits, or restricts the acquisition of land for Indians which respect to any specific tribe, reservation, or state(s)."

^{7/} The draft definition of "land consolidation plan" quoted by appellee in his Feb. 23, 1989, letter is also directed toward transactions involving sales or exchanges of tribal land. See note 3, supra. Appellee stated that this definition was intended for inclusion in a revision of 25 CFR Part 152, where provisions concerning sale or exchange of tribal lands (e.g., 25 CFR 152.21, 152.22(b)) are presently located. He did not indicate the intended relation of this definition to Part 151.

