

recommendation to distribute fiscal years 2000, 2001 and 2002 IRR Program funds under the relative need formula used in 1999, while continuing to develop a proposed formula to publish for comment as part of the 25 CFR 170 Notice of Proposed Rulemaking. In addition, in each of these years we modified the Federal Highway Administration Price Trends Report indices to account for non-reporting states.

What Is the Basis for Distribution of Fiscal Year 2003 IRR Program Funds?

The Transportation Equity Act for the 21st Century (TEA-21) provides that the Secretary develop rules and a funding formula for fiscal year 2000 and subsequent fiscal years to implement the Indian Reservation Roads Program section of the Act. The Negotiated Rulemaking Committee created under section 1115 of TEA-21 and comprised of representatives of tribal governments and the Federal Government has been diligently working to develop a funding formula that addresses the Congressionally identified criteria, Committee and tribal recommendations, and is consistent with overall Federal Indian Policy.

The Committee proposed a permanent funding formula that was published on August 7, 2002 (67 FR 51328) in the **Federal Register** for public comment. The Secretary is completing the review of comments and drafting a final rule at this time. In the meantime, there are about 1300 ongoing road and bridge construction projects on or near Indian reservations which need fiscal year 2003 funding to continue or complete work. Partially constructed road and bridge projects could pose safety threats. Other road and bridge projects need to be planned or initiated in this fiscal year. This rule is published as a temporary rule only for interim funding for fiscal year 2003 and sets no precedent for the final rule to be published as required by section 1115 of TEA-21. We expect to publish the final rule and funding formula before the beginning of fiscal year 2004. The interim formula for the current fiscal year will provide tribes with the critical resources to develop inventory data, long-range transportation plans, transportation improvement programs and other information necessary to distribute funds under a new funding formula to be put in place for fiscal year 2004. The Secretary is basing this distribution on

similar methodologies used in fiscal year 2000, 2001 and 2002.

How Will the Secretary Distribute Fiscal Year 2003 IRR Program Funds?

Upon publication of this rule, the Secretary will distribute 75 percent of fiscal year 2003 IRR Program funds based on the current relative need formula used in fiscal years 2000, 2001 and 2002, and the indices from the FHWA Price Trends Report with appropriate modifications for non-reporting states in the relative need formula distribution process. We will distribute fiscal year 2003 IRR Program funds to the twelve BIA regions using this distribution process. We are requesting comments on the use of the current relative need formula for distribution of the remaining 25 percent of fiscal year 2003 IRR Program funds.

What Formula Components Are We Using for Distribution of Fiscal Year 2003 IRR Program Funds and How Are They Related?

The following diagram shows the relationship between components for fiscal year 2003 IRR Program funds distribution:

