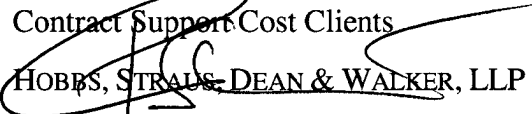


MEMORANDUM

April 11, 2014

TO: Contract Support Cost Clients
FROM:  HOBBS, STRAUS, DEAN & WALKER, LLP
RE: ***IHS and BIA Joint Consultation Session on CSC Issues;
Upcoming IHS CSC Workgroup; Update on NIHB Mandatory CSC
Funding White Paper***

The Indian Health Service (IHS) and Bureau of Indian Affairs (BIA) have scheduled the second in a series of joint consultation sessions in response to the directive of Congress to work with tribes on long-term strategies for addressing contract support cost (CSC) issues. As announced in the attached "Dear Tribal Leader" letter, the consultation session will take place on May 6, 2014 in Arlington, Virginia, in conjunction with the 2014 Tribal Self-Governance Annual Consultation Conference. The agencies continue to seek input on long-term accounting, budget, and legislative solutions to the challenges of CSC funding at the national and individual tribal levels. Written comments may be submitted by July 31, 2014.

Later that same week, on May 8-9 in the same location, the IHS CSC Workgroup will meet to formulate recommendations on a range of issues related to both the FY 2014 full payment process and long-term "solutions" to CSC challenges. The agenda includes the following:

- FY 2014 payout process and data;
- Estimating CSC needs at the individual and national levels;
- The possibility of seeking two-year appropriation authority;
- Revising the CSC Policy in light of the full-payment policy;
- Estimating and funding CSC for new and expanded awards; and
- Long-term solutions.

Finally, in our last report we sent around a draft White Paper that seeks to appropriate contract support costs on a permanent basis like other entitlements. Earlier today we sent the attached memo to Stacy Bohlen, Executive Director of the National Indian Health Board (NIHB). NIHB plans to distribute the White Paper broadly and will organize a call to discuss it sometime during the week of April 28.

We plan to attend both of these events and will report to you on them and any other CSC-related developments. In the meantime, if you have any questions about this memorandum, please do not hesitate to contact Joe Webster (jwebster@hobbsstrauss.com, 202-822-8282), Geoff Strommer (gstrommer@hobbsstrauss.com, 503-242-1745), or Steve Osborne (sosborne@hobbsstrauss.com, 503-242-1745).