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October 30, 2003

The Honorable Conrad Burns
Chairman
Senate Committee on Appropriations Interior Subcommittee
132 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Byron Dorgan
Ranking Minority Member
Senate Committee on Appropriations Interior Subcommittee
132 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senators:

We understand concerns have been raised about the Department of Interior's decision to reform and consolidate its real estate appraisal operations into a single unit. On behalf of the undersigned organizations, this letter is to express our support for Department's actions and to request the reforms be granted concurrence to proceed.

As far back as 1968 and even before, the Department of Interior Inspector General's have called for the consolidation of Interior's appraisal offices to resolve two fundamental conflicts: the appraisers' subordination to realty professionals; and, perhaps more problematic, individuals who serve as both appraisers and negotiators, sometimes on the same transactions. The General Accounting Office and The Appraisal Foundation expressed similar concerns with the Department's appraisal process. In response to these critiques, Secretary of the Interior Gale Norton formed an internal working group to examine this issue in more detail earlier this year.

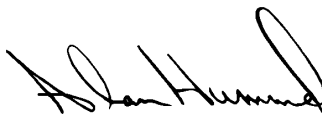
Comprised of senior departmental leaders, this group reviewed relevant history and data and unanimously recommended that Interior consolidate the various appraisal functions within a departmental administrative office. Secretary Norton endorsed the group's recommendations on June 19, 2003.

In our view, consolidating the appraisal functions will ensure that appraisals are credible and free from inappropriate outside influence. This alone will help restore public confidence in Interior's land acquisition and exchange programs. Under the appraisal reforms, appraisers will remain in the field, but will report up a chain of command to other appraisers, not to the realty specialists responsible for negotiating the transactions.

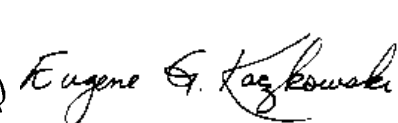
If there are additional concerns about programs in the Department of Interior, we hope they will not delay implementation of this important policy change. If our organizations can be of assistance in addressing any additional concerns or questions, please let us know.

For further information, contact Don Kelly, Vice President of Public Affairs, Appraisal Institute, at 202-298-5583 or dkelly@appraisalinstitute.org, Ted Baker, Executive Vice President, American Society of Appraisers, at 703-733-2019 or tbaker@appraisers.org, or Doug Slothower, Executive Vice President, American Society of Farm Managers and Rural Appraisers at 303-758-3513 or dslothower@agri-associations.org.

Sincerely,



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